



**dream**   
impact trust

*Dream Impact Trust*

# Q2 Report 2024

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

(All dollar amounts in our tables are presented in thousands of Canadian dollars, except unit and per unit amounts, unless otherwise stated)

This Management's Discussion and Analysis ("MD&A") is dated as of, and reflects all material events up to, August 6, 2024, the date on which this MD&A was approved by the Board of Trustees of the Trust ("Board of Trustees").

When we refer to terms such as "we", "us" and "our", we are referring to Dream Impact Trust (the "Trust"), Dream Impact Master LP ("MPCT LP") and its subsidiaries. When we refer to the term "units" we are referring to the units of the Trust. When we refer to "unitholders" we are referring to holders of the units of the Trust.

Certain comparative results have been reclassified to conform to the presentation adopted in the current period.

## 1. OVERVIEW AND OVERALL FINANCIAL PERFORMANCE

### 1.1 OVERVIEW OF THE TRUST

Dream Impact Trust is an open-ended trust dedicated to impact investing. Impact investing is the intention of creating measurable positive, social, or environmental change in our communities and for our stakeholders, while generating attractive financial returns. The Trust's underlying portfolio is comprised of exceptional real estate assets reported under two operating segments: development and recurring income. The units of the Trust are listed on the Toronto Stock Exchange ("TSX") under the symbol "MPCT.UN".

The Trust is managed by Dream Asset Management Corporation ("DAM" or the "Asset Manager"), a subsidiary of Dream Unlimited Corp. ("Dream Unlimited" or "Dream") (TSX: DRM), which is one of Canada's leading real estate companies, with approximately \$25 billion of assets under management in North America and Europe. On January 1, 2018, Dream acquired control of the Trust, for accounting purposes, based on Dream's increased exposure to variable returns resulting from increased ownership through units held in the Trust and from new real estate joint venture agreements. The ultimate controlling party of the Trust is Michael Cooper, President and Chief Responsible Officer of DAM and Dream. As of June 30, 2024, Dream has a 35.8% ownership interest in the Trust.

### 1.2 OUR STRATEGY AND OPERATING SEGMENTS

Our fundamental objectives are to:

- Create positive and lasting impacts for our stakeholders through our three impact verticals: environmental sustainability and resilience, attainable and affordable housing, and inclusive communities.
- Balance the growth and stability of the portfolio, increasing cash flow and unitholders' equity over time.
- Provide investors with a portfolio of high-quality real estate assets, concentrated in core geographic markets, leveraging an experienced management team.

We work towards these objectives by operating our business under two distinct segments:

- **Recurring income** — comprised of a portfolio of commercial real estate income properties and multi-family rental assets in the Greater Toronto Area ("GTA") and Ottawa/Gatineau, and a utility asset.<sup>(1)</sup>
- **Development** — comprised of direct and indirect investments in residential and mixed-use developments.

<sup>(1)</sup> Relates to Zibi Community Utility. For further details, refer to Section 10.1, "Summary of Impact Investments" of this MD&A.

Recurring income is important to our business as it provides stable returns in order to fund our ongoing fixed operating costs and interest costs. Over time, we expect this segment to grow, as we build out our extensive development pipeline and further invest in best-in-class income properties.

We believe the Trust's development segment represents a portfolio of high-quality assets located in core geographic markets that would not otherwise be accessible in a public vehicle. These assets represent a significant source of growth for the Trust, which we expect will generate future income and cash flows over time as the projects are developed. Assets may be built for sale or built to hold for the long term.

Due to the nature of development, the Trust expects fluctuations in earnings from period to period from this segment. Typically, assets may be acquired and held for a number of years before development commences or contribution to net

income is realized. However, depending on a variety of factors, including location, market conditions, density, and asset class, the value of these projects may appreciate as we progress through the rezoning and pre-development process. Our development segment is expected to generate attractive returns and value creation over time. We also believe our portfolio will be more resilient and valuable because it is comprised of assets that are considered impact investments.

In line with our overarching strategy to be a dedicated impact investment vehicle, we utilize assets in both operating segments to generate positive impact across our verticals. These verticals are aligned with the widely recognized and accepted United Nations Sustainable Development Goals and are:

- **Environmental sustainability and resilience** – develop sustainable real estate that optimizes energy use, limits greenhouse gas ("GHG") emissions, and reduces water use and waste while also creating resiliency against natural disasters and major climatic events.
- **Attainable and affordable housing** – invest in mixed-income communities that are transit-oriented, located close to employment opportunities, and support an overall lower relative cost of living with a high quality of life.
- **Inclusive communities** – intentionally design and program communities that are safe and inclusive for everyone. This includes creating spaces that encourage mental and physical health, and wellness.

As of June 30, 2024, substantially all of our portfolio qualified under the Trust's definition of an impact investment or in the impact planning stage. Over the next few years, we intend to wind down or exit remaining non-impact investments and increase our financial flexibility from our build-to-sell assets.

### 1.3 BUSINESS UPDATE — Q2 2024

During the three months ended June 30, 2024, the Trust completed the disposition of a non-core investment and repatriated capital from two long-term loans outstanding for \$9.7 million. The Trust also went firm on sales agreements for 10 Lower Spadina and 349 Carlaw, which are anticipated to close in the third quarter of 2024. Including these sales and activity during the period, the Trust has secured cash proceeds of \$42.0 million, exceeding our goals for the year.

The Trust had previously reported that \$105.7 million of debt at its proportionate share from equity accounted investments would come due in 2024. The Trust made steady progress over the past quarter relating to these maturities, repaying \$57.7 million of construction debt at IVY Condos and extending \$10.0 million related to commercial properties until mid-2026. The remaining debt maturing in 2024 relates to passive investments with low leverage and is currently in the process of being extended. For further details refer to the "Capital Resources and Liquidity" section of this MD&A.

During the three months ended June 30, 2024, the Trust broke ground on construction for Dream LeBreton. Dream LeBreton is adjacent to the light rail station and is in close proximity to the Zibi development. Upon completion in 2027, the net zero carbon development will comprise 608 multi-family rental units, including an affordable component. The Trust has a 33.3% ownership interest and to date has invested \$6.4 million into the development. Subsequent to June 30, 2024, first draws were made on the government affiliated construction loan secured with a fixed interest rate carrying a ten-year term.

Subsequent to June 30, 2024, Toronto City Council approved zoning for phase 1 of the Quayside development. The development is expected to create 2,800 residential units, including 458 affordable rental housing units as part of a 2.1 million sf mixed-use community.

Income from the development segment is expected to fluctuate period to period and not contribute meaningfully to earnings until development milestones are achieved and/or project inventory is available for occupancy. While mindful of our capital spend and liquidity needs, on a strategic basis we continue to make advancements for select assets in the pre-development stage. Most notably, we are continuing to work through financing opportunities for the re-development of 49 Ontario St., which will better position the Trust to identify partnership opportunities to develop the site which allows for 800,000 sf of residential density. Further updates will be provided as milestones are achieved.



## FINANCIAL HIGHLIGHTS OF THE TRUST

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Condensed consolidated results of operations</b>				
Net loss	\$ (4,756)	\$ (8,663)	\$ (10,178)	\$ (12,020)
Net income (loss) per unit <sup>(1)</sup>	(0.27)	(0.51)	(0.57)	(0.71)
Units outstanding – end of period	17,972,778	17,131,410	17,972,778	17,131,410
Units outstanding – weighted average	17,784,395	17,074,075	17,753,305	16,984,710

As at	June 30, 2024	March 31, 2024	December 31, 2023
<b>Condensed consolidated financial position</b>			
Total unitholders' equity	\$ 421,485	\$ 426,710	\$ 428,657
Total unitholders' equity per unit <sup>(1)</sup>	23.45	23.99	24.39
Total debt	278,176	273,370	270,056
Total debt payable <sup>(2)</sup>	280,680	276,130	273,065
Total assets	706,795	707,063	707,426
Debt-to-asset value <sup>(3)</sup>	39.7%	39.1%	38.6%
Cash	10,045	4,337	6,176

<sup>(1)</sup> Total unitholders' equity per unit and net income (loss) per unit are supplementary financial measures. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A.

<sup>(2)</sup> Total debt payable is a non-GAAP financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. Total debt payable is not a standardized financial measure under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and might not be comparable to similar measures disclosed by other issuers.

<sup>(3)</sup> Debt-to-asset value is a non-GAAP ratio. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. Debt-to-asset value is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers.

During the three months ended June 30, 2024, the Trust reported a net loss of \$4.8 million compared to \$8.7 million in the prior year. The change in earnings was attributable to net fair value adjustments on certain commercial properties and completed developments year over year (\$5.7 million), occupancy income from condominiums at Brightwater (\$3.5 million), and recoveries achieved from the Trust's interest in the Vegas hotel (\$2.8 million). Partially offsetting this was a loss on disposition of the Trust's investment in 100 Steeles (\$5.6 million) and higher interest expense within the Trust's equity accounted investments (\$1.0 million).

Similarly, during the six months ended June 30, 2024, the Trust reported a net loss of \$10.2 million compared to \$12.0 million in the prior year. Included in the six months ended June 30, 2024, was a gain on sale of a non-core investment.

As at June 30, 2024, the Trust had total liquidity<sup>(1)</sup> of \$21.8 million, comprised of cash-on-hand and funds available under the Trust's credit facility. As at June 30, 2024, the Trust's debt-to-asset value<sup>(1)</sup> was 39.7% an increase from 39.1% as at March 31, 2024 driven by drawings on corporate level debt, the net impact of fair value adjustments, partially offset by cash proceeds from non-core investments received in the period. Refer to the "Capital Resources and Liquidity" section of this MD&A.

<sup>(1)</sup> Debt-to-asset value is a non-GAAP ratio. Total liquidity is a supplementary financial measure. Please refer to the Specified Financial Measures and Other Disclosures section of this MD&A.

## SEGMENTED RESULTS OF OPERATIONS — THREE MONTHS ENDED JUNE 30, 2024

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 16	\$ 16
Income properties revenue	—	6,045	—	6,045
Share of losses from equity accounted investments	(2,034)	(6,507)	—	(8,541)
<b>TOTAL INCOME (LOSS)</b>	<b>(2,034)</b>	<b>(462)</b>	<b>16</b>	<b>(2,480)</b>
<b>EXPENSES</b>				
Income properties, operating	—	(2,459)	—	(2,459)
Interest expense	(494)	(2,363)	(1,280)	(4,137)
General and administrative	—	—	(1,333)	(1,333)
<b>TOTAL EXPENSES</b>	<b>(494)</b>	<b>(4,822)</b>	<b>(2,613)</b>	<b>(7,929)</b>
Fair value adjustments to income properties	—	63	—	63
<b>OPERATING LOSS</b>	<b>(2,528)</b>	<b>(5,221)</b>	<b>(2,597)</b>	<b>(10,346)</b>
Interest and other income	—	38	3,130	3,168
<b>EARNINGS (LOSS) BEFORE INCOME TAX RECOVERY</b>	<b>(2,528)</b>	<b>(5,183)</b>	<b>533</b>	<b>(7,178)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	2,422	2,422
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>2,422</b>	<b>2,422</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (2,528)</b>	<b>\$ (5,183)</b>	<b>\$ 2,955</b>	<b>\$ (4,756)</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
Share of other comprehensive loss from equity accounted investments, net of tax	(566)	(161)	—	(727)
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	(461)	—	(461)
<b>TOTAL OTHER COMPREHENSIVE LOSS</b>	<b>(566)</b>	<b>(622)</b>	<b>—</b>	<b>(1,188)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (3,094)</b>	<b>\$ (5,805)</b>	<b>\$ 2,955</b>	<b>\$ (5,944)</b>

## SEGMENTED RESULTS OF OPERATIONS — THREE MONTHS ENDED JUNE 30, 2023

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 400	\$ 400
Income properties revenue	—	4,318	—	4,318
Share of income (loss) from equity accounted investments	(413)	805	—	392
<b>TOTAL INCOME (LOSS)</b>	<b>(413)</b>	<b>5,123</b>	<b>400</b>	<b>5,110</b>
<b>EXPENSES</b>				
Income properties, operating	—	(2,296)	—	(2,296)
Interest expense	(426)	(2,470)	(1,278)	(4,174)
General and administrative	—	—	(1,674)	(1,674)
<b>TOTAL EXPENSES</b>	<b>(426)</b>	<b>(4,766)</b>	<b>(2,952)</b>	<b>(8,144)</b>
Fair value adjustments to income properties	—	(9,843)	—	(9,843)
<b>OPERATING LOSS</b>	<b>(839)</b>	<b>(9,486)</b>	<b>(2,552)</b>	<b>(12,877)</b>
Interest and other income	—	24	251	275
Fair value adjustments to financial instruments	—	—	308	308
<b>LOSS BEFORE INCOME TAX RECOVERY</b>	<b>(839)</b>	<b>(9,462)</b>	<b>(1,993)</b>	<b>(12,294)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	3,631	3,631
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>3,631</b>	<b>3,631</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (839)</b>	<b>\$ (9,462)</b>	<b>\$ 1,638</b>	<b>\$ (8,663)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	1,496	921	—	2,417
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	2,521	—	2,521
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,496</b>	<b>3,442</b>	<b>—</b>	<b>4,938</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ 657</b>	<b>\$ (6,020)</b>	<b>\$ 1,638</b>	<b>\$ (3,725)</b>

<sup>(1)</sup> Includes other Trust amounts not specifically related to the segments.

## SEGMENTED RESULTS OF OPERATIONS – SIX MONTHS ENDED JUNE 30, 2024

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 180	\$ 180
Income properties revenue	—	10,546	—	10,546
Share of losses from equity accounted investments	(3,978)	(8,288)	—	(12,266)
<b>TOTAL INCOME (LOSS)</b>	<b>(3,978)</b>	<b>2,258</b>	<b>180</b>	<b>(1,540)</b>
<b>EXPENSES</b>				
Income properties, operating	—	(4,941)	—	(4,941)
Interest expense	(976)	(4,751)	(2,610)	(8,337)
General and administrative	—	—	(2,916)	(2,916)
<b>TOTAL EXPENSES</b>	<b>(976)</b>	<b>(9,692)</b>	<b>(5,526)</b>	<b>(16,194)</b>
Fair value adjustments to income properties	—	(2,790)	—	(2,790)
<b>OPERATING LOSS</b>	<b>(4,954)</b>	<b>(10,224)</b>	<b>(5,346)</b>	<b>(20,524)</b>
Interest and other income	2,747	105	2,875	5,727
Fair value adjustments to financial instruments	—	—	7	7
<b>EARNINGS (LOSS) BEFORE INCOME TAX RECOVERY</b>	<b>(2,207)</b>	<b>(10,119)</b>	<b>(2,464)</b>	<b>(14,790)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	4,612	4,612
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>4,612</b>	<b>4,612</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (2,207)</b>	<b>\$ (10,119)</b>	<b>\$ 2,148</b>	<b>\$ (10,178)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	495	345	—	840
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	1,106	—	1,106
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>495</b>	<b>1,451</b>	<b>—</b>	<b>1,946</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (1,712)</b>	<b>\$ (8,668)</b>	<b>\$ 2,148</b>	<b>\$ (8,232)</b>

## SEGMENTED RESULTS OF OPERATIONS — SIX MONTHS ENDED JUNE 30, 2023

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 795	\$ 795
Income properties revenue	—	8,729	—	8,729
Share of loss from equity accounted investments	(969)	479	—	(490)
<b>TOTAL INCOME (LOSS)</b>	<b>(969)</b>	<b>9,208</b>	<b>795</b>	<b>9,034</b>
<b>EXPENSES</b>				
Income properties, operating	—	(4,709)	—	(4,709)
Interest expense	(602)	(4,599)	(2,771)	(7,972)
General and administrative	—	—	(3,862)	(3,862)
<b>TOTAL EXPENSES</b>	<b>(602)</b>	<b>(9,308)</b>	<b>(6,633)</b>	<b>(16,543)</b>
Fair value adjustments to income properties	—	(10,300)	—	(10,300)
<b>OPERATING LOSS</b>	<b>(1,571)</b>	<b>(10,400)</b>	<b>(5,838)</b>	<b>(17,809)</b>
Interest and other income	—	39	365	404
Fair value adjustments to financial instruments	—	—	401	401
<b>LOSS BEFORE INCOME TAX RECOVERY (EXPENSE)</b>	<b>(1,571)</b>	<b>(10,361)</b>	<b>(5,072)</b>	<b>(17,004)</b>
<b>INCOME TAX RECOVERY (EXPENSE)</b>				
Current income tax expense	—	—	(1)	(1)
Deferred income tax recovery	—	—	4,985	4,985
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>4,984</b>	<b>4,984</b>
<b>NET LOSS</b>	<b>(1,571)</b>	<b>(10,361)</b>	<b>(88)</b>	<b>(12,020)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	1,496	253	—	1,749
Fair value adjustment to derivative financial liabilities hedges, net of tax	—	1,922	—	1,922
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,496</b>	<b>2,175</b>	<b>—</b>	<b>3,671</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (75)</b>	<b>\$ (8,186)</b>	<b>\$ (88)</b>	<b>\$ (8,349)</b>

<sup>(1)</sup> Includes other Trust amounts not specifically related to the segments.

### **TOTAL INCOME (LOSS)**

Total loss for the three and six months ended June 30, 2024 was \$2.5 million and \$1.5 million compared to total income of \$5.1 million and \$9.0 million in the prior year, respectively. The decrease was primarily a result of the loss on the sale of 100 Steeles, fair value adjustments and higher interest expense within the Trust's equity accounted investments. This was partially offset by occupancy income from the Brightwater condos.

### **TOTAL EXPENSES**

Total expenses for the three and six months ended June 30, 2024 were \$7.9 million and \$16.2 million, a decrease of \$0.2 million and \$0.3 million from the prior year, respectively. The decrease was driven by reduced asset management fees as a result of the Trust's amended Management Agreement with DAM and the Trust's unit price on settlement date. Partially offsetting this were fluctuations in deferred compensation expense and higher interest expense on the Trust's consolidated debt based on timing of financing.



## 1.4 SUMMARY OF PORTFOLIO ASSETS

The following table includes supplementary information on certain assets in our portfolio as at June 30, 2024. Please refer to Section 10.1, "Summary of Impact Investments" of this MD&A for additional information on certain of these investments in our development and recurring income segments.

### RECURRING INCOME SEGMENT

Project/property	Dream Impact Trust ownership	Accounting treatment	Impact status <sup>(1)</sup>	Total residential units	Residential GFA <sup>(2)</sup> (at 100%)	In-place/ committed residential occupancy	Total commercial and retail GLA <sup>(3)</sup> (at 100%)	In-place/ committed commercial occupancy
<b>Downtown Toronto &amp; GTA:</b>								
<b>Commercial:</b>								
Sussex Centre	50.1%	Joint operation	I, E	—	—	—	655,000	77.8 %
49 Ontario Street <sup>(4)</sup>	100.0%	Consolidated	TBD	—	TBD	—	88,000	87.7 %
10 Lower Spadina	100.0%	Consolidated	I, E	—	—	—	61,000	100.0 %
349 Carlaw	100.0%	Consolidated	I, E	—	—	—	34,000	72.7 %
68-70 Claremont Street	100.0%	Consolidated	I, E	—	—	—	30,000	100.0 %
76 Stafford Street	100.0%	Consolidated	I, E	—	—	—	25,000	— %
Berkeley properties <sup>(4), (5)</sup>	100.0%	Consolidated	TBD	—	—	—	14,000	39.8 %
34 Madison	40.0%	Equity accounted	I	—	—	—	8,000	100.0 %
Plaza Imperial	40.0%	Equity accounted	n/a	—	—	—	35,000	84.6 %
Plaza Bathurst	40.0%	Equity accounted	n/a	—	—	—	24,000	100.0 %
<b>Multi-Family Rental:</b>								
Weston Common	33.3%	Equity accounted	A, I, E	841	692,000	97.5 %	52,000	98.5 %
Robinwood Portfolio	33.3%	Equity accounted	A, I, E	286	156,000	93.4 %	—	—
70 Park	50.0%	Equity accounted	I, E	210	257,000	95.7 %	—	—
262 Jarvis	33.3%	Equity accounted	I, E	71	35,000	85.9 %	—	—
786 Southwood	50.0%	Equity accounted	A, I, E	24	37,000	100.0 %	—	—
111 Cosburn	50.0%	Equity accounted	I, E	23	14,000	91.3 %	—	—
Maple House at Canary Landing (WDL Block 8)	25.0%	Equity accounted	A, I, E	770	624,000	62.9 %	4,000	—
IVY Rentals	75.0%	Equity Accounted	n/a	12	10,000	66.7 %	—	—
<b>Total Downtown Toronto &amp; GTA</b>				<b>2,237</b>	<b>1,825,000</b>	<b>84.3 %</b>	<b>1,030,000</b>	<b>79.7 %</b>
<b>Zibi (Ottawa/Gatineau):</b>								
<b>Commercial:</b>								
Natural Sciences Building	50.0%	Equity accounted	I, E	—	—	—	186,000	93.4 %
15 Rue Jos-Montferrand	50.0%	Equity accounted	I, E	—	—	—	53,000	81.2 %
310 Miwate Private	50.0%	Equity accounted	I, E	—	—	—	33,000	100.0 %
<b>Multi-Family Rental:</b>								
Aalto Suites	50.0%	Equity accounted	A, I, E	162	135,000	88.3 %	1,000	—
Aalto II	50.0%	Equity accounted	A, I, E	148	127,000	62.8 %	4,000	—
<b>Other:</b>								
Zibi Community Utility	20.0%	Equity accounted	E	—	—	—	—	—
<b>Total Zibi (Ottawa/Gatineau)</b>				<b>310</b>	<b>262,000</b>	<b>76.1 %</b>	<b>277,000</b>	<b>90.2 %</b>
<b>Total projects in the recurring income segment</b>				<b>2,547</b>	<b>2,087,000</b>	<b>83.3 %</b>	<b>1,307,000</b>	<b>82.2 %</b>

<sup>(1)</sup> Investments will align with the following impact verticals as outlined in Section 1.2, "Our Strategy and Operating Segments": A-Attainable and affordable housing; I-Inclusive communities; and E-Environmental sustainability and resilience.

<sup>(2)</sup> Residential gross floor area ("GFA").

<sup>(3)</sup> Gross leasable area ("GLA").

<sup>(4)</sup> Identified with redevelopment potential. Asset is currently occupied with tenants paying rental income. The above statistics do not reflect approved rezoning density.

<sup>(5)</sup> The Berkeley properties are a land assembly adjacent to 49 Ontario Street and part of the asset's longer-term development plan.

## DEVELOPMENT SEGMENT

Project/property	Property type	Dream Impact Trust ownership	Status/type	Impact status <sup>(1)</sup>	Total residential units at completion (at 100%) <sup>(2)</sup>	Residential GFA <sup>(3)</sup> (at 100%)	Total commercial and retail GLA <sup>(3)</sup> (at 100%)	Occupancy date
<b>Development segment</b>								
<b>Downtown Toronto &amp; GTA:</b>								
Brightwater Towns	Build to sell	23.3%	Under construction	I, E	106	237,000	—	2024
Birch House at Canary Landing	Various	25.0%	Under construction	I, E	444 <sup>(4)</sup>	335,000	26,000	2024
The Mason (Brightwater)	Build to sell	23.3%	Under construction	I, E	158	128,000	5,000	2025
Cherry House at Canary Landing	Build to hold	25.0%	Under construction	A, I, E	855	811,000	32,000	2026
Bridge House (Brightwater)	Build to sell	23.3%	Planning	I, E	484	392,000	—	2027
Brightwater future blocks	Build to sell	23.3%	Planning	I, E	1,952	2,441,000	257,000	2025-2032
Forma - East Tower	Build to sell	25.0%	Under construction	I, E	864	590,000	1,000	2028
Quayside <sup>(5)</sup>	Various	12.5%	Planning	A, I, E	4,600	3,220,000	240,000	2031-2035
West Don Lands Block 20	Build to hold	25.0%	Planning	A, I, E	653	571,000	255,000	TBD
Victory Silos	TBD	37.5%	Planning	TBD	1,500	1,200,000	100,000	TBD
Forma - West Tower	Build to sell	25.0%	Planning	n/a	1,170	885,000	223,000	2032
Scarborough Junction	Build to sell	45.0%	Planning	n/a	6,619	5,270,000	165,000	TBD
673 Warden	Build to sell	2.5%	Planning	I	TBD	TBD	TBD	TBD
Seaton	Build to sell	7.0%	Planning	n/a	TBD	TBD	TBD	TBD
<b>Total Downtown Toronto &amp; GTA</b>					<b>19,405</b>	<b>16,080,000</b>	<b>1,304,000</b>	
<b>Zibi (Ottawa/Gatineau):</b>								
Block 206	Build to hold	50.0%	In occupancy/under construction	A, I, E	188	196,000	11,000	2024
Block 207	Build to hold	50.0%	Under construction	I, E	—	—	76,000	2024
Future blocks	Various	50.0%	Planning	A, I, E	1,978	1,292,000	1,891,000	TBD
<b>Other (Ottawa/Gatineau):</b>								
Dream LeBreton <sup>(6)</sup>	Build to hold	33.3%	Under construction	A, I, E	608	410,000	26,000	2027
<b>Total Ottawa/Gatineau</b>					<b>2,774</b>	<b>1,898,000</b>	<b>2,004,000</b>	
<b>Total projects in the development and investment holdings segment</b>					<b>22,179</b>	<b>17,978,000</b>	<b>3,308,000</b>	

<sup>(1)</sup> Investments will align with the following impact verticals as outlined in Section 1.2, "Our Strategy and Operating Segments": A – Attainable and affordable housing; I – Inclusive communities; E – Environmental sustainability and resilience.

<sup>(2)</sup> Residential units and GLA are at 100% project level and include planned units and GLA, which are subject to change pending various development approvals. Planned residential units may be developed as condominium units or purpose-built rentals as supported by market demand, targeted studies and return objectives. For projects currently in occupancy, residential units reflect remaining units in inventory to be occupied in future periods.

<sup>(3)</sup> Total commercial and retail GLA and GFA, include planned GLA and GFA, which are subject to change pending various development approvals.

<sup>(4)</sup> This figure includes 238 rental units, which the Trust considers build to hold, as well as a 206-unit condo building invested in by Dream.

<sup>(5)</sup> Of the 4,600 units, 869 units will not be held by the Trust for the long term. These stats reflect the full 12 acre site build-out and are subject to change.

<sup>(6)</sup> Of the 608 units, 133 units are expected to be owned by a not-for-profit.

## 2. REPORTABLE OPERATING SEGMENTS RESULTS OF OPERATIONS

### 2.1 RECURRING INCOME

The Trust holds a direct investment in 11 income properties across the GTA, as well as indirect investments in commercial, retail, and multi-family rental properties held through various joint venture partnerships. In aggregate, the Trust's portfolio is comprised of 1.3 million sf of commercial and retail GLA, and 2,547 multi-family rental units (at 100% asset level ownership). Of these rental units, over 25% were designated as affordable as at June 30, 2024.

A summary of the recurring income segment results is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income (loss) – income properties <sup>(1)</sup>	\$ 1,324	\$ (10,267)	\$ (1,831)	\$ (10,840)
Share of net income (loss) from equity accounted investments ("EAI") – recurring income	(6,507)	805	(8,288)	479
Net loss – recurring income	\$ (5,183)	\$ (9,462)	\$ (10,119)	\$ (10,361)

<sup>(1)</sup> Net income (loss) – income properties is a supplementary financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. Net income (loss) – income properties is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers.

During the three months ended June 30, 2024, the Trust's recurring income segment generated a net loss of \$5.2 million an improvement compared to a \$9.5 million loss in the prior year. The fluctuation was driven by net fair value adjustments, in addition to an early lease termination fee recognized in the current period. Excluding fair value adjustments, net income for the segment was \$0.5 million, up slightly from prior year.

During the three months ended June 30, 2024, the Trust sold its 37.5% investment in a leasehold interest in 100 Steeles, a 59,000 sf income property located in Vaughan, Ontario that was slated for redevelopment. The Trust initially acquired the leasehold interest in 2018. Since then, market conditions have changed significantly and the land freehold purchase price was no longer considered economical. The Trust sold its interest for a nominal amount, recognizing a fair value loss of \$5.6 million, to save on further capital spend needed to exercise the purchase option to acquire the land and develop the site.

During the three months ended June 30, 2024, fair values were held relatively flat across the multi-family portfolio. The Trust recognized a modest cap rate expansion in the period on the Zibi commercial assets. Prior year results included increased fair value losses on the Trust's commercial properties located in the GTA.

During the six months ended June 30, 2024, the Trust's recurring income segment generated a net loss of \$10.1 million compared to \$10.4 million in the prior year. The composition of earnings and fair value adjustments differed in each period due to the aforementioned factors.

### MULTI-FAMILY RENTAL

The Trust's multi-family rental portfolio is comprised of 2,547 market and affordable rental units across the GTA and Ottawa/Gatineau.

Operating statistics for the multi-family rental properties are as follows:

As at	June 30, 2024	December 31, 2023	June 30, 2023
<b>Total multi-family rental portfolio</b>			
Total number of units (at 100% project level)	2,547	2,534	1,616
Number of affordable units (at 100% project level) <sup>(1)</sup>	649	642	335
Same property occupancy rate (period-end) — in-place and committed <sup>(2)</sup>	95.0%	94.5%	96.8%
Occupancy rate (period-end) — in-place and committed <sup>(3)</sup>	83.3%	71.2%	96.9%
Occupied average monthly rent — units at market <sup>(4)(5)</sup>	\$ 2,093	\$ 2,084	\$ 1,637
Occupied average monthly rent — total <sup>(5)</sup>	\$ 1,934	\$ 1,864	\$ 1,587

<sup>(1)</sup> In line with certain government programs' affordability definition that each project is governed by.

<sup>(2)</sup> Excludes properties acquired or transferred into the recurring income segment in 2024 and 2023.

<sup>(3)</sup> This includes multi-family rental buildings in the lease-up period.

<sup>(4)</sup> Excludes units designated as affordable.

<sup>(5)</sup> Calculated based on actual rent for units occupied at period-end.

Based on the Trust's current development pipeline, we have an additional 1,701 residential units that are expected to be completed by the end of 2027, which will contribute to recurring income as they come online, as summarized below.

	Location	Market units	Affordable units <sup>(1)</sup>	Total units	GFA (sf)	Occupancy date
Birch House at Canary Landing	Toronto	238	—	238	182,000	2024
Cherry House at Canary Landing	Toronto	598	257	855	811,000	2026
Dream LeBreton	Ottawa	357	251	608	410,000	2027
Total units added over four years (at 100%)		<b>1,193</b>	<b>508</b>	<b>1,701</b>	<b>1,403,000</b>	
Balance, June 30, 2024		<b>1,898</b>	<b>649</b>	<b>2,547</b>	<b>2,087,000</b>	
Pro-forma balance, December 31, 2027		<b>3,091</b>	<b>1,157</b>	<b>4,248</b>	<b>3,490,000</b>	

<sup>(1)</sup> In line with certain government programs' affordability definition that each project is governed by.

During the six months ended June 30, 2024, Zibi Block 206 commenced leasing. In line with the Trust's accounting policy, Zibi Block 206 will be moved to the recurring income segment once the development has substantially completed construction, which is anticipated in the latter half of 2024. During the six months ended June 30, 2024, 19 units were sold to Ottawa Community Housing, which will own and operate the units.

The results of the Trust's multi-family rental portfolio are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
NOI – multi-family rental <sup>(1)</sup>	\$ 1,707	\$ 1,751	\$ 3,158	\$ 3,190
Same Property NOI <sup>(1)(2)</sup>	\$ 1,521	\$ 1,730	\$ 2,926	\$ 3,169

<sup>(1)</sup> NOI – multi-family rental and same property NOI are supplementary financial measures. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. NOI – multi-family rental and same property NOI are not standardized financial measures under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers.

<sup>(2)</sup> Excludes properties acquired or transferred into the recurring income segment in 2024 and 2023. Properties completed or acquired subsequent to December 31, 2022 are not included in this supplementary financial measure.

During the three and six months ended June 30, 2024, same property NOI was \$1.5 million and \$2.9 million, compared to \$1.7 million and \$3.2 million in the prior year. Current period results included higher operating expenses from property taxes and bad debt expenses, partially offset by rental growth on the turnover of units.

Construction continues to progress well at Birch House and Cherry House at Canary Landing which are expected to be completed by the end of 2024 and 2026, respectively. Combined, these assets are expected to add 1,093 rental units to the Trust's downtown Toronto portfolio, of which 257 units are expected to be designated as affordable (at 100% asset level).

Debt from the Trust's multi-family portfolio carries a weighted average term of 4.9 years at a weighted average interest rate of 2.8%.

## COMMERCIAL

The Trust's commercial portfolio is composed of 1.3 million sf of GLA across the GTA and Ottawa/Gatineau.

The results of the Trust's commercial properties are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net operating income ("NOI") – income properties <sup>(1)</sup>	\$ 3,586	\$ 2,022	\$ 5,605	\$ 4,020
NOI – commercial income properties included in equity accounted investments ("EAI") <sup>(1)</sup>	736	829	1,436	1,465
NOI – commercial properties <sup>(1)</sup>	\$ 4,322	\$ 2,851	\$ 7,041	\$ 5,485

<sup>(1)</sup> NOI – income properties is a non-GAAP financial measure, NOI – commercial income properties included in EAI and NOI – commercial properties are supplementary financial measures. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. NOI – income properties, NOI – commercial income properties included in EAI, and NOI – commercial properties are not standardized financial measures under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers.

During the three and six months ended June 30, 2024, NOI from commercial properties was \$4.3 million and \$7.0 million compared to \$2.9 million and \$5.5 million in the prior year. Included in current period results was an early lease termination fee with no comparable activity in prior year, partially offset by a decrease in revenue due to lease expirations. Lease termination fees are included in the Trust's income property revenue.

Operating statistics for the commercial income properties portfolio are as follows:

As at	June 30, 2024	December 31, 2023	June 30, 2023
<b>Total commercial income properties portfolio, including those held as equity accounted investments</b>			
Number of properties <sup>(1)</sup>	17	17	17
Owned GLA (in millions of sf)	0.7	0.8	0.8
Occupancy rate (period-end) - including committed	82.2%	82.1%	82.5%
Occupancy rate (period-end) - in-place	79.2%	79.8%	79.7%
Average tenant size (in sf)	9,856	7,773	7,810
Average in-place and committed base rent per sf (period-end)	22.81	23.05	22.84
Weighted average remaining lease term (years)	7.0	6.8	6.6

<sup>(1)</sup> Includes five properties acquired as part of the Berkeley land assembly slated for redevelopment as part of the 49 Ontario Street site.

As at June 30, 2024, in-place and committed rent increased to 82.2% from 82.1% at December 31, 2023. During the three and six months ended June 30, 2024, the co-working anchor tenant at 68-70 Claremont, took occupancy of the wholly owned property. Subsequent to June 30, 2024, a lease for approximately 35,000 sf expired in the Trust's co-owned commercial property. The Trust is in the process of preparing the space for lease-up.

## 2.2 DEVELOPMENT

As of June 30, 2024, the Trust's development segment was comprised of best-in-class development projects representing approximately 22,000 residential units and over 3.3 million sf of commercial and retail GLA (approximately 7,000 units and over 1.3 million sf at the Trust's share).

The majority of the Trust's development assets are located in the GTA and Ottawa, are in various planning and construction phases, and classified as equity accounted investments. The carrying value of these investments as at June 30, 2024 was \$241.4 million (December 31, 2023 – \$241.9 million). These equity accounted investments are typically held at cost and are expected to contribute meaningfully to the Trust's earnings in future periods as properties are developed and completed. Fair value adjustments may be recorded on an individual investment level as a result of certain factors, such as terms of a construction contract, stage of completion, location, type and quality of the property, current market rents for similar properties, reliability of cash inflows after completion, development risks specific to the property, past experience with similar constructions, status of approvals and/or permits, estimated costs to complete, and market conditions.

Our developments are expected to provide attractive profits upon their respective completion dates and are expected to contribute to increased value for unitholders over the longer term.

A summary of the development segment results is below:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income (loss) – development <sup>(1)</sup>	\$ (494)	\$ (426)	\$ 1,771	\$ (602)
Share of loss from equity accounted investments – development	(2,034)	(413)	(3,978)	(969)
<b>Total net loss – development</b>	<b>\$ (2,528)</b>	<b>\$ (839)</b>	<b>\$ (2,207)</b>	<b>\$ (1,571)</b>

<sup>(1)</sup> Includes interest expense on developments.

During the three months ended June 30, 2024, the development segment reported a net loss of \$2.5 million compared to \$0.8 million in the prior year. The fluctuation was driven by cost to complete adjustments on IVY Condos, and increased interest expense. Partially offsetting this was occupancy income from Brightwater I and II condos in the current period.

For similar reasons, during the six months ended June 30, 2024, the development segment reported a net loss of \$2.2 million compared to \$1.6 million in the prior year. In addition, during the six months ended June 30, 2024, the Trust recognized fair value losses at Brightwater as a result of cap rate expansion and timing of phases completed to date, partially offset by the gain on the sale of a non-core investment to DAM.

As of June 30, 2024, all remaining inventory at Brightwater I and approximately 90% of Brightwater II had occupied. There are currently 264 units under construction which will be completed over the next two years. As at August 6, 2024, approximately 48,000 sf of retail and commercial tenants have opened for business, which includes Farm Boy, Rexall and BMO.

Income from this segment will fluctuate period to period and not contribute meaningfully to earnings until development milestones are achieved and/or project inventory is available for occupancy.

## DEVELOPMENT PIPELINE

As our development projects progress towards completion and achieve various milestones, the Trust expects an increase in income and cash flows from this segment over time. Additionally, certain projects that are held by the Trust for the longer term, such as commercial or multi-family rental buildings, will be transferred to the recurring income segment, generating stabilized income for the Trust. For additional details, refer to Section 1.4, "Summary of Portfolio Assets".

Over the next four-year period, an additional 3,500 residential units and 0.2 million sf of retail and commercial space is expected to be completed (at the 100% project level). This includes approximately 1,900 rental units expected to be completed, as well as build-to-sell residential assets, such as active development blocks at Brightwater.

## SUMMARY OF DEVELOPMENT PARTNERS

As a result of our partners and relationships, the Trust has access to unparalleled investment opportunities across North America.

The table below provides an overview of some of the Trust's key partners within its development/redevelopment investments:

Project	Partners	Partner since
Quayside	Dream Impact Fund, Great Gulf	2023
Dream LeBreton	Dream Unlimited, Dream Impact Fund	2022
BlackTusk Partnership	Dream Impact Fund, BlackTusk Group	2021
Scarborough Junction	Harlo Capital, Republic Developments	2020
Birch House at Canary Landing <sup>(1)</sup>	Dream Unlimited, Kilmer Van Nostrand Co. Ltd., Tricon Residential Inc.	2019
Canary Landing <sup>(1)(2)</sup>	Dream Unlimited, Kilmer Van Nostrand Co. Ltd., Tricon Residential Inc.	2018
Seaton	Fieldgate Homes, Mattamy Homes, Paradise Developments, TACC Construction Ltd.	2018
Forma	Dream Unlimited, Great Gulf Residential, Westdale Construction Co. Ltd.	2017
Zibi <sup>(1)</sup>	Dream Unlimited	2017
Brightwater	Dream Unlimited, Kilmer Van Nostrand Co. Ltd., Diamond Corp., FRAM + Slokker	2017
Victory Silos	Dream Unlimited, Great Gulf	2016

<sup>(1)</sup> Dream Unlimited's share of Birch House, Cherry House and Maple House at Canary Landing and the Natural Sciences Building at Zibi development was acquired by Dream Impact Fund. Dream Unlimited has a 38.48% interest in Dream Impact Fund as at June 30, 2024, with the residual interests held by third parties.

<sup>(2)</sup> The Canary Landing investment includes Maple House and Cherry House at Canary Landing, and West Don Lands Block 20.



## 2.3 OTHER

### GENERAL AND ADMINISTRATIVE EXPENSES

During the three and six months ended June 30, 2024, general and administrative expenses were \$1.3 million and \$2.9 million compared to \$1.7 million and \$3.9 million in the prior year, respectively. The reduction in general and administrative expenses period over period was driven by the asset management fee expenses and the deferred compensation recovery, which fluctuate based on the Trust's unit price. During the three months ended June 30, 2024, unitholders approved the amended management agreement with DAM to settle with a fixed number of units of the Trust in 2024, with extension options available annually through 2026. For further details, refer to section 2.4 "Related Party Transactions", under the heading "Dream Asset Management".

### INTEREST AND OTHER INCOME

During the three months ended June 30, 2024, interest and other income was \$3.2 million compared to \$0.3 million in the prior year, an increase driven by the sale of two legacy, passive investments. During the six months ended June 30, 2024, interest and other income was \$5.7 million compared to \$0.4 million in the prior year. The increase was a result of the aforementioned in addition to the Trust's interest in a non-core legacy development sold to DAM earlier in the year.

In 2018, the Trust entered into the 10% investment for the redevelopment of the hotel. In 2022, the Trust recognized a fair value loss on the hotel and since then the Trust has carried the investment at a \$nil balance. During the three and six months ended June 30, 2024, the Trust recognized recoveries from the sale of its interest in the hotel, for aggregate cash proceeds of \$2.8 million.

Additionally, the Trust received cash proceeds of \$4.4 million from the Empire Lakeshore investment during the three and six months ended June 30, 2024, resulting in a return on investment of \$0.4 million. The remaining inventory at the project-level was sold in the period.

### INCOME TAX EXPENSE (RECOVERY)

During the three months ended June 30, 2024, the Trust recorded an income tax recovery of \$2.4 million compared to \$3.6 million in the prior year. For the six months ended June 30, 2024, the Trust recorded an income tax recovery of \$4.6 million compared to \$5.0 million in the prior year. The fluctuation from period to period was driven by the composition of earnings in each period.

Due to the Trust's diversified asset mix and active asset management strategy, we expect some degree of variability in current and deferred income tax expense recognized in each period through the condensed consolidated statements of comprehensive income (loss) resulting in an income tax expense (recovery) position. The Trust intends to actively manage the portfolio in a tax-efficient manner.

We are subject to income taxes both federally and provincially in Canada and in the United States. Judgments and estimates are required in the determination of the Trust's tax balances. Our income tax expense/recovery and deferred tax liabilities/assets reflect management's best estimate of current and future taxes to be paid/recovered. The Trust is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Trust in its tax filings.

### TAX ATTRIBUTES

#### INCOME PROPERTIES

We deduct mortgage interest and available tax depreciation on our buildings from our Canadian income properties that generate taxable net operating income. These deductions contribute to the overall tax efficiency of our structure and the tax depreciation helps provide the Trust with tax-sheltered cash flow. Any change in the fair value of income properties is not recognized in the determination of current taxes until the sale of the asset.

## 2.4 RELATED PARTY TRANSACTIONS

From time to time, the Trust and its subsidiaries enter into transactions with related parties that are contracted under commercial terms. DAM, which is a wholly owned subsidiary of Dream Unlimited, is the Asset Manager and is a related party that provides management personnel services to the Trust under the terms of the Management Agreement, as defined below.

### DREAM ASSET MANAGEMENT

#### ASSET MANAGEMENT AGREEMENT

On July 8, 2014, the Trust entered into a management agreement (as amended from time to time, the "Management Agreement") with DAM, pursuant to which DAM provides a broad range of asset management services to the Trust for a base annual management fee, acquisition/origination fee and disposition fee.

In addition, the Trust will compensate DAM for reasonable out-of-pocket costs and expenses incurred in connection with the performance of the management services described in the Management Agreement and the costs and expenses incurred in providing such other services that the Trust and DAM agree to in writing that are to be provided from time to time by DAM.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fees paid/payable by the Trust under the Management Agreement with DAM:				
Base annual management fee	\$ 301	\$ 761	\$ 780	\$ 2,074
Acquisition/origination fee and disposition fees	1	1	12	67
Expense recoveries relating to financing arrangements and other	525	583	999	972
Total fees under Management Agreement	\$ 827	\$ 1,345	\$ 1,791	\$ 3,113
As at				
	June 30, 2024		December 31, 2023	
Total payable to DAM	\$ 1,415		\$ 1,586	

During the three and six months ended June 30, 2024, the Trust issued 188,383 and 261,383 units, respectively, in satisfaction of the management fees payable to DAM under the Management Agreement (three and six months ended June 30, 2023 — 112,829 and 210,657, respectively). Included in the units delivered during the three and six months ended June 30, 2024, were units issued in satisfaction of management fees payable for the year ended December 31, 2023 and for the three months ended March 31, 2024. Subsequent to June 30, 2024, the Trust settled a further 137,500 units in satisfaction of the management fees payable related to the three months ended June 30, 2024. The asset management fee payable was determined based on the number of units settled valued at the period-end unit price.

On June 12, 2024, unitholders authorized an amendment to the Management Agreement to deliver up to 1,800,000 units of the Trust to DAM, in satisfaction of the base management fees and acquisition fees payable under the Management Agreement of the Trust for the period from January 1, 2024 to December 31, 2026, assuming the valid exercise of all exercise options. The amendment stipulates that 550,000 units be issued during the 2024 calendar year (137,500 units per quarter).

By satisfying certain management fees payable under the Management Agreement in units, the cash requirements of the Trust will be reduced. Since the commencement of the Management Agreement on April 1, 2019, the Trust has saved over \$34 million, based on the actual units settled valued at the unit price on date of settlement.

#### DEVELOPMENT FEES

The Trust has entered into various project-level development management agreements with DAM, and its third-party co-developers where applicable, in which the Trust has equity ownership interests. Pursuant to these agreements, DAM provides development management services to the project. The corresponding development management fees are shared among the partners within each development.

Under these agreements, during the three and six months ended June 30, 2024, fees of \$0.5 million and \$0.9 million were incurred by the projects at the Trust's share (three and six months ended June 30, 2023 – \$0.9 million and \$1.7 million) of which \$1.0 million was owed to DAM as of June 30, 2024 (December 31, 2023 – \$1.6 million).

Additionally, effective January 1, 2018, the Trust entered into a framework agreement (the "Framework Agreement") with DAM with respect to their management of development investments. During the three and six months ended June 30, 2024,

\$0.2 million and \$0.4 million in development fees were incurred in accordance with the Framework Agreement (three and six months ended June 30, 2023 – \$0.2 million and \$0.3 million).

## OTHER TRANSACTIONS

During the six months ended June 30, 2024, the Trust sold its 9% interest in the Queen and Mutual Street development to DAM for cash proceeds of \$3.7 million. The Trust recognized a gain on the sale of \$2.8 million, excluding transaction costs, included in interest and other income.

## DREAM OFFICE REAL ESTATE INVESTMENT TRUST ("DREAM OFFICE REIT")

### PROPERTY MANAGEMENT AGREEMENTS

The Trust's wholly owned and co-owned office properties are managed by Dream Office Management Corporation ("DOMC"). DOMC is owned by Dream Office REIT.

### SERVICES AGREEMENT

The Trust entered into a services agreement ("Service Agreement") with DOMC on July 8, 2014. Pursuant to the Service Agreement, DOMC provides administrative and support services including the use of office space, office equipment, communication services and computer systems, and the provision of personnel in connection with accounts payable, human resources, taxation, and other services. DOMC receives a monthly fee sufficient to reimburse it for the expenses incurred in providing these services.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fees incurred pursuant to the property management agreements	\$ 677	\$ 663	\$ 1,278	\$ 1,286
Fees incurred pursuant to the Service Agreement	289	263	530	475
Total fees incurred to DOMC	\$ 966	\$ 926	\$ 1,808	\$ 1,761
	June 30, 2024		December 31, 2023	
Total (receivable) payable to DOMC for property management agreements	\$ 92		\$ (56)	
Total payable to DOMC for Service Agreement	\$ 81		\$ 62	

## 3. DISTRIBUTION MEASURES

Over the last few years, the Trust anticipated that actual distributions paid and payable may differ from cash generated from (utilized in) operating activities. This difference is driven by a number of factors, including the impact of leasing incentives and initial direct leasing costs, which can fluctuate with lease maturities, renewal terms and the type of asset being leased; changes in non-cash working capital; and the longer-term nature and investment return profile of our developments, which are held as equity accounted investments.

The distributions over operating cash flows and/or net income are considered a return of capital. These cash flows are relevant in the determination of distributions, as cash flows relating to a development project will ultimately be received upon project completion. The Trust considers these factors among others in evaluating its distribution policy as well as its assessment of cash generated from operating activities over the longer term.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following tables outline the differences between cash generated from (utilized in) operating activities and total distributions paid and payable and cash distributions in accordance with the guidelines:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash utilized in operating activities	\$ (1,429)	\$ (9,910)	\$ (5,078)	\$ (12,294)
Total distributions paid and payable	n/a	2,736	944	6,796
Cash distributions paid and payable <sup>(1)</sup>	n/a	1,812	586	4,579
Shortfall of cash utilized in operating activities over total distributions paid and payable	n/a \$	(12,646) \$	(6,022) \$	(19,090)
Shortfall of cash utilized in operating activities over cash distributions paid and payable	n/a \$	(11,722) \$	(5,664) \$	(16,873)

<sup>(1)</sup> Excludes distributions reinvested in the Trust's distribution reinvestment and unit purchase plan ("DRIP").

Effective February 12, 2024, the Board suspended the Trust's monthly distributions and distribution reinvestment and purchase plan. The last distribution declared prior to the suspension was paid on February 15, 2024.

For the six months ended June 30, 2024, cash utilized in operating activities exceeded distributions paid and payable by \$6.0 million (three and six months ended June 30, 2023 – distributions paid and payable exceeded cash utilized in operating activities by \$12.6 million and \$19.1 million).

Over the longer term once development assets are completed and contribute to our recurring income segment, we would expect cash generated from (utilized in) operations to increase and stabilize at which time the Trust will reassess its distribution policy.

The following table summarizes net income and total distributions paid and payable and cash distributions paid for the periods indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (4,756)	\$ (8,663)	\$ (10,178)	\$ (12,020)
Total distributions paid and payable	n/a	2,736	944	6,796
Cash distributions paid and payable <sup>(1)</sup>	n/a	1,812	586	4,579
Shortfall of net loss over total distributions paid and payable	n/a	\$ (11,399)	\$ (11,122)	\$ (18,816)
Shortfall of net loss over cash distributions paid and payable	n/a	\$ (10,475)	\$ (10,764)	\$ (16,599)

<sup>(1)</sup> Excludes distributions reinvested in the DRIP.

For the six months ended June 30, 2024, distributions paid and payable exceeded net loss by \$11.1 million (three and six months ended June 30, 2023 – distributions paid and payable exceeded net loss by \$11.4 million and \$18.8 million).

Certain assets and liabilities are recognized at fair value in the condensed consolidated financial statements. Unrealized fair value adjustments and other non-cash items are included in net income and can fluctuate from period to period. The total unrealized fair value adjustments and other non-cash items included in net income in the condensed consolidated financial statements for the periods indicated are summarized in the following table:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Total adjustments to fair values and other non-cash items included in net income (loss) <sup>(1)</sup>	\$ 5,916	\$ 5,754	\$ 10,392	\$ 6,469

<sup>(1)</sup> Total adjustments to fair values and other non-cash items included in net income (loss) is a supplementary financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A. Total adjustments to fair values and other non-cash items included in net income (loss) is a supplementary financial measure, is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar measures disclosed by other issuers.

Historically, the Trust used its cash-on-hand and undrawn capacity on its credit facility as a source of funding for payment of the distribution. The use of the Trust's credit facility involves risks compared to using cash-on-hand as a source of funding, such as the risk of reduced borrowing capacity and/or that interest rates may rise in the future, which will make it more expensive for the Trust to borrow under its credit facility, and the risk associated with increasing the overall indebtedness of the Trust. See also the section titled "Capital Resources and Liquidity" of this MD&A.

Our distribution reinvestment and unit purchase plan ("DRIP") entitled unitholders to reinvest all cash distributions into additional units. Of the distributions paid and payable, for the six months ended June 30, 2024, \$0.7 million was reinvested into the DRIP. On February 12, 2024, the DRIP was suspended in conjunction with the distribution.

## 4. CAPITAL RESOURCES AND LIQUIDITY

The Trust's primary sources of financing are cash generated from operating activities, debt financing and refinancing. Our primary uses of capital include: investments in developments, commercial properties and multi-family rental buildings, debt principal repayments, interest payments, costs of attracting and retaining tenants, recurring property maintenance and major property improvements. It is the Trust's objective to meet all our ongoing obligations with current cash, cash flows generated from operating activities, including profit from build-for-sale assets, cash from maturing lending portfolio investments, and cash from financing and refinancing activities.

### SUMMARY OF TOTAL DEBT

Total debt relates to mortgages payable on the Trust's consolidated income properties, the credit facility, a promissory note payable and the convertible debentures as further disclosed below. The increase of \$8.1 million since December 31, 2023

was primarily related to drawings on the credit facility and the promissory note. The promissory note is related to the Victory Silos refinancing and is presented as a current liability as it is due on demand.

As at		June 30, 2024		December 31, 2023
Mortgages payable	\$	172,480	\$	172,615
Credit facility		7,000		—
Convertible debentures payable		70,000		70,000
Promissory note		31,200		30,450
Total debt payable	\$	280,680	\$	273,065
Unamortized discount on host instrument of convertible debentures		(687)		(820)
Conversion feature		—		7
Unamortized balance of deferred financing costs		(1,817)		(2,196)
<b>Total debt</b>	<b>\$</b>	<b>278,176</b>	<b>\$</b>	<b>270,056</b>

We use the following cash flow performance and debt level indicators to assess our ability to meet or refinance our debt obligations:

As at		June 30, 2024		December 31, 2023
<b>Total debt</b>				
Weighted average face rate of interest (period-end)		5.6%		5.5%
Weighted average effective interest rate (period-end) <sup>(1)</sup>		5.7%		5.6%
Debt due within one year	\$	185,935	\$	30,450
Total debt payable <sup>(2)</sup>		280,680		273,065
Debt-to-asset value <sup>(2)</sup>		39.7%		38.6%
Debt – average term to maturity (years)		1.76		2.51
Proportion of fixed debt to total debt <sup>(3)</sup>		97.5%		100%
<b>Total debt, inclusive of equity accounted investments</b>				
Weighted average effective interest rate (period-end), including equity accounted investments		5.4%		5.6%
Debt, inclusive of equity accounted investments – average term to maturity (years)		2.88		3.21
Proportion of fixed debt to total debt, inclusive of equity accounted investments		67.7%		65.4%

<sup>(1)</sup> Weighted average effective interest rate is calculated as the weighted average face rate of interest, net of financing costs of interest-bearing debt, weighted by the size of the respective interest-bearing debt instruments in the portfolio.

<sup>(2)</sup> Total debt payable is a non-GAAP financial measure and debt-to-asset value is a non-GAAP ratio. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A for further information.

<sup>(3)</sup> June 30, 2024 includes \$7.0 million drawn on the credit facility which is at a variable interest rate.

A significant portion of the Trust's debt portfolio, including equity accounted investments, is government affiliated which often carries favourable terms such as reduced discount rates, longer amortization periods and higher leverage ratios. By participating in these programs, it is advantageous to the Trust's financial returns and mitigates the Trust's takeout financing risk upon development completion due to longer maturity terms and non-recourse on stabilization of the asset. For active development projects with construction facilities in place, leverage ratios are typically between 50% and 65%.

As at June 30, 2024, principal repayments and maturity balances on total consolidated debt to be repaid each year are as follows:

	Total maturity balance and principal repayments	% of total debt maturities and principal repayments	Weighted average interest rate (face)	Weighted average effective interest rate
Debt maturities <sup>(1)</sup>				
Total debt payable <sup>(2)</sup>				
2024	31,200 <sup>(3)</sup>	11.1%	6.4%	6.4%
2025	87,000	31.0%	6.4%	6.4%
2026	57,365	20.4%	4.2%	4.6%
2027	105,115	37.5%	5.4%	5.5%
Subtotal before undernoted	280,680	100.0%	5.6%	5.7%
Unamortized discount on host instrument of convertible debentures	(687)			
Unamortized balance of deferred financing costs	(1,817)			
<b>Total debt</b>	<b>\$ 278,176</b>			

<sup>(1)</sup> Debt maturities within this table are based on the contractual terms of the debt.

<sup>(2)</sup> Total debt payable is a non-GAAP financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A for further information.

<sup>(3)</sup> Balance relates to a promissory note that is due on demand, which is not expected to be repaid in 12 months. This is a loan of excess cash from one of the Trust's joint ventures.

As of June 30, 2024, the Trust's proportionate share of debt from equity accounted investments was \$829.0 million. The Trust had previously reported that \$105.7 million of debt at its proportionate share from equity accounted investments would come due in 2024. The Trust made steady progress over the three months ended June 30, 2024 over these maturities, repaying \$57.7 million of construction debt with the proceeds from condominium closings at IVY Condos and executing extensions for \$17.0 million of debt relating to certain office properties until mid-2026. The remaining debt maturing in 2024 relates to passive investments with low leverage and is currently in the process of being extended.

As of June 30, 2024, there is \$479.7 million of debt maturing in 2025, including the Trust's share of debt from equity accounted investments, of which over half are land loans. These loans are from our long-standing lending partners who we have continuous discussions with and anticipate that such loans will be rolled over in normal course. The remaining debt is related to construction loans which will be repaid with condominium unit closing proceeds. Subsequent to June 30, 2024, the Trust renewed an \$80.0 million land loan for a further two years to January 31, 2027.

## FINANCING ACTIVITY IN THE PERIOD

During the six months ended June 30, 2024, the Trust, alongside its partners, secured a government affiliated loan for \$233 million for a development in Ottawa. The project is expected to be a net zero carbon development with an affordable housing component.

As at June 30, 2024, the demand revolving credit facility ("the facility" or "the credit facility") was available to the Trust up to a formula-based maximum of \$25 million. Effective May 3, 2024, the facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") rate plus 2.25%, or at the bank's prime rate plus 1.25%, and is secured by a general security agreement over certain of the Trust's income properties, payable monthly. Previously the facility bore interest at the Bankers' Acceptance ("BA") rate plus 2.25%, or at the bank's prime rate plus 1.25%. The Trust is in the process of selling the income properties which are collateralized under the facility. These asset sales will enhance the Trust's liquidity although the Trust's borrowing capacity will be unavailable.

As at June 30, 2024, \$7.0 million was drawn on the facility (December 31, 2023 – \$nil), and funds available under the facility were \$11.8 million (December 31, 2023 – \$16.7 million), net of \$0.3 million of letters of credit issued against the facility (December 31, 2023 – \$0.3 million). As at June 30, 2024, the Trust had total liquidity<sup>(1)</sup> of \$21.8 million, inclusive of undrawn capacity on our credit facility and cash on hand.

<sup>(1)</sup> Total liquidity is a supplementary financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A.

## CONVERTIBLE DEBENTURES

The principal amount outstanding and the carrying value for the Trust's convertible debentures are as follows:

As at						June 30, 2024	December 31, 2023	
Convertible debentures	Date issued	Maturity date	Conversion rate in units <sup>(1)</sup>	Coupon rate	Effective rate	Outstanding principal	Carrying value	Carrying value
2022 Debentures	Jun 9, 2022	Dec 31, 2027	31.2500	5.75 %	6.02 %	\$ 40,000	\$ 38,389	\$ 38,165
2021 Debentures	Aug 3, 2021	Jul 31, 2026	32.2373	5.50 %	6.20 %	30,000	29,493	29,372

<sup>(1)</sup> Per \$0.001 million principal amount.

During the three and six months ended June 30, 2024, \$1.0 and \$2.0 million of interest expense was incurred (three and six months ended June 30, 2023 – \$1.0 million and \$2.0 million) and coupon payments of \$1.2 and \$2.0 million were made (three and six months ended June 30, 2023 – \$1.2 million and \$2.0 million) related to the convertible debentures.

## FINANCIAL COVENANTS

The credit facility, certain financial guarantees and certain mortgages on income properties contain financial covenants that require the Trust and/or its subsidiaries to meet certain financial ratios and financial condition tests. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing.

The following are financial covenants required to be met by MPCT LP, a wholly owned subsidiary of the Trust, under the terms of the credit facility, applicable as at June 30, 2024:

Financial covenant	Financial covenant requirement
Unitholders' equity	≥ \$375,000
Debt-to-asset value	≤ 45.0%



As at June 30, 2024, the Trust was in compliance with these financial covenants. During the three and six months ended June 30, 2024, the Trust amended its credit facility covenant requirement to increase the debt-to-asset value from less than or equal to 40% to less than or equal to 45%.

## TOTAL EQUITY

As at June 30, 2024, the Trust had 17,972,778 units outstanding and a total unitholders' equity balance of \$421.5 million.

As at	June 30, 2024		December 31, 2023	
	Number of units	Amount	Number of units	Amount
Unitholders' equity	17,972,778	\$ 563,485	17,571,967	\$ 561,481
Retained earnings/(deficit)		(144,412)		(133,290)
Accumulated other comprehensive income		2,412		466
Total unitholders' equity	17,972,778	\$ 421,485	17,571,967	\$ 428,657

The following table summarizes the changes in the outstanding units and unitholders' equity:

	Units	Unitholders' equity
As at December 31, 2023	17,571,967	\$ 561,481
Units issued pursuant to the DRIP	125,732	710
Deferred units exchanged for Trust units	13,696	55
Units issued as settlement of asset management fees under the Management Agreement	261,383	1,239
<b>Total units outstanding on June 30, 2024</b>	<b>17,972,778</b>	<b>\$ 563,485</b>
Deferred units exchanged for Trust units	662	2
Units issued as settlement of asset management fees under the Management Agreement	137,500	458
<b>Total units outstanding on August 6, 2024</b>	<b>18,110,940</b>	<b>\$ 563,945</b>

The Deferred Unit Incentive Plan ("DUIP") provides for the grant of deferred trust units ("DTUs") to Trustees of the Trust, officers and employees, as well as affiliates, including the Asset Manager. DTUs are granted at the discretion of the Board of Trustees of the Trust and participants are also credited with income deferred trust units based on distributions as they are declared and paid by the Trust. As at June 30, 2024, up to a maximum of 750,000 DTUs were issuable under the DUIP. Distributions on the unvested DTUs are paid in the form of units converted at the market price of the units of the Trust on the date of distribution. As at June 30, 2024, there were 316,296 DTUs and income deferred trust units outstanding (December 31, 2023 – 235,382 units). As at August 6, 2024, 328,052 DTUs and income deferred trust units were outstanding.

## DISTRIBUTIONS

The distributable cash flow and amount of monthly distributions to unitholders are determined by the Board of Trustees of the Trust based on distributions received from MPCT LP, net of general and administrative expenses, operating and other expenses, and income tax expenses. As at February 12, 2024, the monthly distribution to unitholders and the Trust's distribution reinvestment and purchase plan were suspended.

As at	2024		2023		2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Annualized distribution amount	\$ —	\$ —	\$ 0.640	\$ 0.640	\$ 0.640	\$ 0.640	\$ 1.600	\$ 1.600
Monthly distribution amount	—	—	0.053	0.053	0.053	0.053	0.133	0.133
Annualized distribution rate of return <sup>(1)</sup>	—%	—%	10.4%	8.3%	7.0%	5.2%	9.9%	9.8%

<sup>(1)</sup> Annualized distribution rate of return is calculated as the annualized distribution amount divided by the closing price per unit on the TSX at the period-end date of the quarter specified.

## UNIT BUYBACK PROGRAM

The following table summarizes the Trust's unitholders' equity activity under its unit buyback program for the periods ended as indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Units repurchased (number of units)	—	15,460	—	48,790
Total cash consideration	\$ —	\$ 176	\$ —	\$ 598

As at August 6, 2024, the Asset Manager, DAM, owns 6.6 million units of the Trust, inclusive of 2.0 million units acquired in satisfaction of asset management fees payable under the Management Agreement and the remainder acquired on the open market for DAM's own account. In aggregate, as at August 6, 2024, DAM owns 36.3% of the Trust's issued and outstanding units.

During the six months ended June 30, 2024, the Trust renewed its Normal Course Issuer Bid (the "2024 NCIB") for a one-year period, commencing February 1, 2024 to the earlier of January 31, 2025 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the 2024 NCIB, the Trust has the ability to purchase for cancellation up to a maximum of 1,135,041 units (representing 10% of the Trust's public float of 11,350,415 units as of January 19, 2024) through the facilities of the TSX. Daily repurchases are limited to 5,360 units, representing 25% of the average daily trading volume of the units on the TSX during the last six calendar months (being 21,441 units per day), other than purchases pursuant to applicable block purchase exceptions. The Trust has renewed its NCIB because it believes that units may become available during the period of the bid at prices that would make the purchase of such units for cancellation in the best interests of the Trust and its unitholders.

During the six months ended June 30, 2024, in connection with the renewal of the 2024 NCIB, the Trust renewed its automatic securities repurchase plan (the "Plan") in order to facilitate purchases of its units under the 2024 NCIB. The Plan allows for purchases by the Trust of units at any time including, without limitation, times when the Trust would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Trust based upon the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the units may also be purchased in accordance with management's discretion. The Plan will terminate on January 31, 2025.

## LIQUIDITY

The following table summarizes the Trust's condensed consolidated statements of cash flows for the periods indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash utilized in operating activities	\$ (1,429)	\$ (9,910)	\$ (5,078)	\$ (12,294)
Cash generated from (utilized in) investing activities	2,587	2,616	2,503	(12,640)
Cash generated from (utilized in) financing activities	4,550	(2,028)	6,444	38,421

Cash utilized in operating activities for the three months ended June 30, 2024 was \$1.4 million compared to \$9.9 million in the prior year. The decrease in cash utilized was driven by the repayment of the Zibi promissory note in the prior year and changes in non-cash working capital.

Cash utilized in operating activities for the six months ended June 30, 2024 was \$5.1 million compared to \$12.3 million in the prior year. The decrease in cash utilized was as a result of the aforementioned and leasing incentives on a select Toronto property incurred at the beginning of the year.

Cash generated from investing activities in the three months ended June 30, 2024 was \$2.6 million, a slight decrease from the prior year. Cash generated from investing activities in the six months ended June 30, 2024 was \$2.5 million compared to cash utilized of \$12.6 million in the prior year. Included in the three and six months ended June 30, 2024, were cash proceeds of \$7.2 million related to non-core investment holdings, and a \$2.5 million repayment on a loan receivable. Partially offsetting was net investment activity from the Trust's equity accounted investments, as well as the acquisition of Quayside in the six months ended June 30, 2023.

Cash generated from financing activities for the three months ended June 30, 2024 was \$4.6 million compared to cash utilized of \$2.0 million in the prior year. The increase in cash generated was driven by net draws on the credit facility and the suspension of distributions earlier in the year.

Cash generated from financing activities for the six months ended June 30, 2024 was \$6.4 million compared to cash generated of \$38.4 million in the prior year. Cash generated in the six months ended June 30, 2023, included proceeds from the 49 Ontario and Victory Silos refinancing, partially offset by net repayments on the credit facility.

## COMMITMENTS AND CONTINGENCIES

Dream Impact and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of the Asset Manager, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of the Trust.

## OTHER COMMITMENTS

As at June 30, 2024, guarantees on underlying loan amounts of third parties and certain development arrangements were \$384.6 million (December 31, 2023—\$366.5 million). Our guarantees include contingent liabilities on our joint venture

partners' obligations for certain investments. These exclude our share of the obligations based on our ownership interest in the investment, which is included in equity accounted investments on our condensed consolidated statements of financial position. However, the Trust would have available the joint venture partners' share of assets to satisfy any obligations that may arise. From time to time, the Trust may be required to fund capital contributions to its various investments.

## 5. SELECTED QUARTERLY FINANCIAL INFORMATION

The Trust's condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and are presented in Canadian dollars.

	2024			2023			2022		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Total income (loss)	\$ (2,480)	\$ 940	\$ (5,406)	\$ 1,859	\$ 5,110	\$ 3,924	\$ 10,627	\$ 4,408	
Net income (loss)	\$ (4,756)	(5,422)	(19,706)	(12,418)	(8,663)	(3,357)	(44,863)	337	
Net income (loss) per unit <sup>(1)</sup>	(0.27)	(0.31)	(1.13)	(0.72)	(0.51)	(0.20)	(2.69)	0.02	

<sup>(1)</sup> Net income (loss) per unit is a supplementary financial measure. Please refer to the "Specified Financial Measures and Other Disclosures" section of this MD&A.

As a result of a large portion of the Trust's portfolio being in the development stage, results of operations may fluctuate from period to period as we work towards growing our recurring income segment.

## 6. SPECIFIED FINANCIAL MEASURES AND OTHER DISCLOSURES

We have presented certain specified financial measures because we believe these are important in evaluating the Trust's underlying operating performance and debt management. These specified financial measures do not have standardized meanings prescribed by IFRS Accounting Standards and may not be comparable with similar measures presented by other issuers. Investors are cautioned not to view specified financial measures as alternatives to financial measures calculated in accordance with IFRS Accounting Standards.

### NON-GAAP RATIOS

"Debt-to-asset value" is a non-GAAP ratio calculated as total debt payable (a non-GAAP financial measure) divided by the total asset value of the Trust as at the applicable reporting date. This non-GAAP ratio is an important measure used by the Trust in evaluating the amount of debt leverage; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

As at	June 30, 2024	December 31, 2023
Total debt	\$ 278,176	\$ 270,056
Unamortized discount on host instrument of convertible debentures	687	820
Conversion feature	—	(7)
Unamortized balance of deferred financing costs	1,817	2,196
Total debt payable	\$ 280,680	\$ 273,065
Total assets	706,795	707,426
Debt-to-asset value	39.7%	38.6%

## SUPPLEMENTARY FINANCIAL MEASURES AND OTHER MEASURES

"Net income (loss) – income properties" is defined by the Trust as including the sum of income properties revenue, income properties operating expenses, interest expense, fair value adjustments to income properties and interest and other income.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income properties revenue	\$ 6,045	\$ 4,318	\$ 10,546	\$ 8,729
Income properties operating expenses	(2,459)	(2,296)	(4,941)	(4,709)
Interest expense	(2,363)	(2,470)	(4,751)	(4,599)
Fair value adjustments to income properties	63	(9,843)	(2,790)	(10,300)
Interest and other income	38	24	105	39
Net income (loss) – income properties	\$ 1,324	\$ (10,267)	\$ (1,831)	\$ (10,840)

"Net income (loss) per unit" represents net income (loss) of the Trust divided by the weighted average number of units outstanding during the period.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ (4,756)	\$ (8,663)	\$ (10,178)	\$ (12,020)
Units outstanding – weighted average	17,784,395	17,074,075	17,753,305	16,984,710
Net income (loss) per unit	\$ (0.27)	\$ (0.51)	\$ (0.57)	\$ (0.71)

**"NOI – commercial income properties included in EAI"** is defined by the Trust as income properties revenue less income properties operating expenses at the equity accounted investment level. This supplementary financial measure is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning, and may not be comparable with similar measures presented by other issuers.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income properties revenue	\$ 1,758	\$ 1,774	\$ 3,510	\$ 3,447
Income properties operating expenses	(1,022)	(945)	(2,074)	(1,982)
Net operating income – income properties included in equity accounted investments – commercial	736	829	1,436	1,465
Interest expense	(1,021)	(792)	(1,979)	(1,632)
Interest and other income	12	—	12	—
Fair value adjustments	(6,378)	(69)	(8,399)	(314)
Depreciation expense	(66)	(56)	(119)	(118)
Share of net loss – included in equity accounted investments – commercial	\$ (6,717)	\$ (88)	\$ (9,049)	\$ (599)

**"NOI – commercial properties"** is defined by the Trust as the sum of NOI – commercial income properties included in EAI, and NOI – income properties (both of which are supplementary financial measures). This supplementary financial measure is an important measure used by the Trust to evaluate operational performance of commercial properties; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

**"NOI – multi-family rental"** is defined by the Trust as multi-family rental revenue less multi-family property operating expenses, at the equity accounted investment level. This supplementary financial measure is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning, and may not be comparable with similar measures presented by other issuers.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income properties revenue	\$ 3,921	\$ 2,975	\$ 7,558	\$ 5,862
Income properties operating expenses	(2,214)	(1,224)	(4,400)	(2,672)
Net operating income – income properties included in equity accounted investments – multi-family rental	1,707	1,751	3,158	3,190
Interest expense	(2,172)	(1,594)	(4,185)	(3,397)
Interest and other income	24	—	24	—
Fair value adjustments	651	736	1,764	1,285
Share of net income – included in equity accounted investments – multi-family rental	\$ 210	\$ 893	\$ 761	\$ 1,078

**"NOI – recurring income"** is defined by the Trust as the sum of NOI – commercial properties, NOI – multi-family rental (both of which are supplementary financial measures). This supplementary financial measure is an important measure used by the Trust to evaluate operational performance of the recurring income segment; however, it is not defined by IFRS Accounting Standards does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

**"Same property NOI – multi-family rental"** is defined by the Trust as multi-family rental revenue less multi-family property operating expenses, at the equity accounted investment level, excluding properties acquired or transferred into the recurring income segment in the respective reporting period. This supplementary financial measure is an important measure used by the Trust to evaluate operational performance of the recurring income segment; however, it is not defined by IFRS Accounting Standards does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net operating income – income properties included in equity accounted investments – multi-family rental	\$ 1,707	\$ 1,751	\$ 3,158	\$ 3,190
Net operating income – multi family rental acquired or transferred to recurring income segment	(186)	(21)	(232)	(21)
Same property NOI	\$ 1,521	\$ 1,730	\$ 2,926	\$ 3,169

"Total unitholders' equity per unit" represents the total unitholders' equity of the Trust divided by the number of units outstanding at the end of the period.

As at	June 30, 2024	December 31, 2023
Total unitholders' equity	\$ 421,485	\$ 428,657
Units outstanding – end of period	17,972,778	17,571,967
Total unitholders' equity per unit	\$ 23.45	\$ 24.39

"Total adjustments to fair values and other non-cash items included in net income (loss)" represents deferred income tax expense, fair value adjustments in development and investment holdings, share of income (loss) from equity accounted investments, fair value adjustments to income properties, deferred compensation expense (recovery), fair value adjustments to financial instruments, asset management fees, and other non-cash items.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Deferred income tax recovery	\$ 2,422	\$ 3,631	\$ 4,612	\$ 4,985
Share of income (loss) from equity accounted investments	(8,541)	392	(12,266)	(490)
Fair value adjustments to income properties	63	(9,843)	(2,790)	(10,300)
Deferred compensation recovery	111	363	187	688
Asset management fee settled in units	29	(605)	(142)	(1,753)
Fair value adjustments to financial instruments	—	308	7	401
Total adjustments to fair values and other non-cash items included in net income (loss)	\$ (5,916)	\$ (5,754)	\$ (10,392)	\$ (6,469)

"Total liquidity" is composed of cash and cash equivalents and funds available under the credit facility. This financial measure is used by the Trust to forecast and plan to hold adequate amounts of total liquidity to allow for the Trust to settle obligations as they come due.

## NON-GAAP FINANCIAL MEASURES

"Net operating income – income properties ("NOI – income properties")" is defined by the Trust as income properties revenue less income properties operating expenses. This non-GAAP financial measure is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income properties revenue	\$ 6,045	\$ 4,318	\$ 10,546	\$ 8,729
Income properties operating expenses	(2,459)	(2,296)	(4,941)	(4,709)
Net operating income – income properties	\$ 3,586	\$ 2,022	\$ 5,605	\$ 4,020

"Total debt payable" is defined by the Trust as the balance due at maturity for its debt instruments, and is calculated as the sum of total debt per the condensed consolidated financial statements, inclusive of any unamortized discounts, conversion amounts payable on convertible debentures and the unamortized balance of deferred financing costs. Total debt payable is a non-GAAP financial measure and is included as part of the definition of debt-to-asset value, a non-GAAP ratio. Total debt payable is an important measure used by management of the Trust in evaluating the amount of debt leverage; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Total debt payable is reconciled to total debt, the most directly comparable financial measure, under "Non-GAAP Ratios – debt-to-asset value".

## 7. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Trust does not have a Chief Executive Officer or a Chief Financial Officer. At June 30, 2024, the President and Chief Responsible Officer of DAM and Chief Financial Officer of Dream Impact Master GP (the "Certifying Officers") are responsible for and, along with the assistance of senior management of the Asset Manager, have designed or caused to be designed under the Certifying Officers' supervision, disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", to provide reasonable assurance that material information relating to the Trust is made known to the Certifying Officers in a timely manner and information required to be disclosed by the Trust is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS Accounting Standards.

During the three and six months ended June 30, 2024, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the Trust's disclosure controls and procedures and internal controls over financial reporting.

## 8. RISKS AND RISK MANAGEMENT

For a discussion of the material risks relating to the Trust and its business and information concerning Risks and Risk Management, please refer to the 2023 Annual Report and the 2023 Annual Information Form, which are found on our website at [www.dreamimpacttrust.ca](http://www.dreamimpacttrust.ca) and filed electronically on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) under the Trust's profile.

## 9. MATERIAL ACCOUNTING POLICIES

### 9.1 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Refer to Note 4 of the Trust's consolidated financial statements for the year ended December 31, 2023 for a summary of the Trust's accounting judgments, estimates and assumptions in applying accounting policies.

### 9.2 CURRENT ACCOUNTING POLICY CHANGES

#### AMENDMENTS TO IAS 1, "PRESENTATION OF FINANCIAL STATEMENTS" ("IAS 1")

Effective January 1, 2024 the Trust adopted amendments to IAS 1 relating to the classification of liabilities as current or non-current and non-current liabilities with covenants. As a result, the Trust classifies liabilities as current when it expects to settle the liability in its normal operating cycle, holds the liability primarily for the purpose of trading, the liability is due to be settled within twelve months after the reporting period, or the entity does not have a right, at the end of the reporting period, to defer settlement of the liability for at least twelve months. Settlement refers to the extinguishment of the liability by a transfer to the counterparty, which includes a transfer of the Trust's units. As the Trust's units are presented as equity on reliance of the "puttable instrument exemption" as described in the 2023 annual audited financial statements, the holder's right to demand settlement of a liability in Trust units is not presented as an equity conversion option in the Trust's equity, and thus is a form of settlement of the liability. The Trust may be required to settle the convertible debentures and vested units in the deferred unit incentive plan Trust units on demand and does not have the right to defer settlement of such instruments for a period of more than twelve months from the reporting date. As a result, the Trust has classified these liabilities where there is no right to defer settlement in Trust units as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.



The Trust has transferred the convertible debentures (net of unamortized discount on host instrument, conversion feature and unamortized deferred financing costs) and the current portion of the deferred units incentive plan from non-current to current liabilities as summarized in the table below:

	January 1, 2023	IAS 1 Amendment	Adjusted January 1, 2023
<b>NON-CURRENT LIABILITIES</b>			
Debt	\$ 159,189	\$ (67,282)	\$ 91,907
Deferred Units Incentive Plan	2,251	(1,657)	594
<b>CURRENT LIABILITIES</b>			
Debt	\$ 61,700	\$ 67,282	\$ 128,982
Deferred Units Incentive Plan	—	1,657	1,657

  

	December 31, 2023	IAS 1 Amendment	Adjusted December 31, 2023
<b>NON-CURRENT LIABILITIES</b>			
Debt	\$ 239,606	\$ (67,537)	\$ 172,069
Deferred Units Incentive Plan	926	(631)	295
<b>CURRENT LIABILITIES</b>			
Debt	\$ 30,450	\$ 67,537	\$ 97,987
Deferred Units Incentive Plan	—	631	631

As at June 30, 2024, the Trust recognized \$67,882 of convertible debentures and \$432 for the deferred units incentive plan in current liabilities.

### 9.3 FUTURE ACCOUNTING POLICY CHANGES

Standards issued but not yet effective up to the date of issuance of the Trust's condensed consolidated financial statements that are likely to have an impact on the Trust are noted below, and represent the standards and interpretations the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt these standards when they become effective.

#### IFRS 18 "PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS" ("IFRS 18")

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of comprehensive income where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Trust is in the process of assessing the impact of this new standard.

## 10. ADDITIONAL INFORMATION

### 10.1 SUMMARY OF IMPACT INVESTMENTS

In developing the Dream Impact Management System, we created pathways for each of our impact investments, which align with our three verticals and the United Nations Sustainable Development Goals. For further details, refer to our inaugural impact report published on our website, [www.dreamimpacttrust.ca](http://www.dreamimpacttrust.ca). The contents of the report and on our website are not incorporated by reference into this MD&A.

#### Zibi, including Zibi Community Utility (Ottawa, Ontario; Gatineau, Quebec) (Carrying value \$105.1 million, including completed blocks)

Zibi is our 34 acre community, located in Ottawa, Ontario, and Gatineau, Quebec, overlooking the Ottawa River. This community is expected to welcome approximately 5,000 residents and 6,000 workers upon completion. The project is a multi-phase development that includes over 4.0 million sf of density consisting of approximately 1,900 residential units, including purpose-built rental units, over 2.0 million sf of commercial space and 8 acres of riverfront parks and plazas.

#### Environmental Sustainability and Resilience

The Zibi development includes Ottawa and Gatineau's first net-zero carbon heating and cooling system for all tenants and

residents in the Zibi community. The District Energy System ("Zibi Community Utility" or "ZCU") utilizes post-industrial waste energy for heating and the Ottawa River for cooling. ZCU will enable the entire Zibi development to reach its goal of being carbon-neutral, consistent with the Federal Government's mandate to move to net-zero emissions by 2050. The District Energy System commenced operations in 2022, making Zibi an official net-zero community. Construction at Zibi is environmentally conscious, using 20% recycled content in its construction materials, 20% of which are locally sourced. The development will feature nearly 8 acres of riverfront green space and 2.0 million sf of vibrant commercial space. Zibi is also among the first One Planet Master-Planned Communities in the country, making it one of Canada's most sustainable neighbourhoods.

### **Attainable and Affordable Housing**

To date, the Trust's investment in Zibi has completed two multi-family rental buildings, each with units designated as affordable. During the six months ended June 30, 2024, leasing commenced at Common, a 188-unit multi-family rental which includes innovative co-living units.

### **Inclusive Communities**

Zibi is developed beneficially with and for the Algonquin Anishinabe nation, as we are engaging with the Algonquin Anishinabe nation to ensure that First Nations history, presence and culture are reflected throughout the development. The development has formalized a partnership to ensure this continues throughout the life of the project, which includes, but is not limited to, mandates for Algonquin employment, youth engagements and annual meetings with an advisory council of Algonquin Anishinabe.

### **Canary Landing (Toronto, Ontario) (Carrying value \$43.0 million)**

Canary Landing is a purpose-built multi-family rental apartment community in Toronto's downtown east end, adjacent to the Canary and Distillery Districts. The development is expected to feature over 2,000 rental units, as well as ancillary retail and office components, which are expected to include 5,000 sf of dedicated community space. In 2023, Maple House at Canary Landing welcomed tenants. Construction on Cherry House at Canary Landing continues. Combined, both buildings will provide approximately 1,600 residential units to the downtown Toronto rental market.

### **Environmental Sustainability and Resilience**

Each of the buildings at Canary Landing will be built to LEED Gold standard and will have green roofs. The development will also incorporate water efficiency fixtures and generate clean energy in the form of solar panels. Each of these features will contribute to the Trust's goal of being carbon-neutral by 2035.

### **Attainable and Affordable Housing**

Canary Landing is one of the largest affordable and mixed-income housing projects in Canada and the first within Ontario's Provincial Affordable Housing Lands Program to break ground. Upon full build-out, the development is expected to include 684 affordable units, priced at an approximate 50% discount to market rent in downtown Toronto. In 2023, Maple House at Canary Landing, which includes 231 affordable units, commenced occupancy.

### **Inclusive Communities**

Canary Landing will be an inclusive community. The affordable housing units will be distributed throughout the building, with all tenants having access to the building amenities, unit quality and finishes equivalent to the suites rented at market price. The Trust is working towards establishing an inclusive process for determining how to fairly distribute access to the affordable units.

### **Dream LeBreton (Ottawa, Ontario) (Carrying value \$6.4 million)**

#### **Environmental Sustainability and Resilience**

Dream LeBreton is set to become the largest residential building in Canada to be a Zero Carbon Building certified by the Canada Green Building Council. It is expected to be a high-performance, energy efficient building, as the design includes solar panels and leverages the sewage system to provide heating and cooling throughout the buildings.

### **Attainable and Affordable Housing**

Dream LeBreton will have a total of 608 new housing units, of which approximately 40% will be affordable, and of which 31% will be accessible. The units will be integrated alongside market units, creating an inclusive, equitable, and richly diverse community. The affordable units are to be earmarked for five target populations as defined by the national housing strategy: Indigenous communities; veterans; women and children; immigrants and newcomers; and adults with cognitive disabilities.

### **Inclusive Communities**

In partnership with the Dream Community Foundation and Multifaith Housing Initiative, the Trust intends to implement inclusive community programming that is available to all residents to meet specific social needs, improve overall well-being

and increase a sense of belonging. A Workforce Development and Community Benefits Plan has also been prepared to ensure that the Trust's investment in Dream LeBreton provides economic and employment opportunities to local businesses and equity-seeking groups.

#### **Brightwater Development (Mississauga, Ontario) (Carrying value \$42.0 million)**

Brightwater, a 72 acre waterfront development in Mississauga's Port Credit area, is expected to transform the site to a complete, vibrant and diverse community, which will include an elementary school, YMCA and 18 acres of parks and outdoor space. The development won the Building Industry and Land Development Association Pinnacle Award in 2020 for Best New Community-Planned/Under Development. To date, five residential blocks have achieved sales launches.

#### **Environmental Sustainability and Resilience**

When the Trust entered into the development in 2017, it was contaminated due to its history as an oil refinery, requiring the excavation of 1.4 million tonnes of soil. The source remediation program has since been completed and vertical construction for initial blocks commenced in 2021. The new community will incorporate a number of features that will result in a transit-friendly ecosystem, including installing electric vehicle charging stations, bike lanes and bike parking, and providing a shuttle bus to the Port Credit GO station to promote sustainable commuting.

#### **Inclusive Communities**

The Brightwater community is expected to include nearly 3,000 residential units and over 350,000 sf of vibrant retail and commercial space. It will embody waterfront living while promoting connectivity, mental and physical health, and well-being in the community. To facilitate this, the development will include 18 acres of new parks and green space, which will include the Village Square, a planned hub for community programming.

#### **Birch House at Canary Landing (Toronto, Ontario) (Carrying value \$9.9 million)**

Birch House at Canary Landing is a mixed-use project in downtown Toronto, expected to include a 238-unit multi-family rental building, a 206-unit condo building, and the first purpose-built Indigenous Hub in any major North American city. The development will be located within the Canary District, adjacent to the Canary Landing and Distillery District in downtown Toronto.

#### **Environmental Sustainability and Resilience**

Each of the buildings at Birch House at Canary Landing will be built to LEED Gold standard as well as include features that will have energy and water consumption lower than market standard.

#### **Inclusive Communities**

Birch House at Canary Landing features an innovative partnership with Anishnawbe Health Toronto ("AHT"). AHT is a community health centre with the mission to improve the health and well-being of Indigenous People by providing Traditional Healing within a multi-disciplinary healthcare model. The Indigenous Hub will provide a state-of-the-art five-storey facility that draws from Indigenous architectural and design influences, and will combine essential health and education facilities to create a thriving centre of community for the city's Indigenous People.

#### **Multi-Family Rental Income Properties (GTA, Ontario) (Carrying value \$103.3 million)**

Over the last three-year period, the Trust has nearly doubled its interest in multi-family rental income properties compared to the rest of the asset portfolio. As at June 30, 2024, the Trust is invested in over 2,200 multi-family rental units located in the GTA.

#### **Environmental Sustainability and Resilience**

Where possible, the Trust intends to reduce GHG emissions by 20% by 2025 and implement water efficiency features, by retrofitting building systems and by engaging and educating tenants to reduce consumption.

#### **Attainable and Affordable Housing**

The Trust intends to preserve and create new affordable housing units at the multi-family rentals. In 2023, 770 units at Maple House at Canary Landing were completed, of which 231 units were designated as affordable. The Trust is expected to complete an additional 257 affordable units at Cherry House at Canary Landing in 2026.

#### **Inclusive Communities**

The Trust intends to implement inclusive and social programming in its multi-family rental buildings, in partnership with the Dream Community Foundation. The Trust and the Dream Community Foundation will work in collaboration with existing non-profit organizations and will invest in programs and services that improve the overall well-being of residents and increase a sense of community belonging. Programs will fall under the categories of affordable living, health and wellness, education and skills, and culture and belonging.

### Commercial Income Properties (GTA, Ontario; Ottawa, Ontario; Gatineau, Quebec) (Carrying value \$310.0 million)

The Trust's commercial income properties contribute to delivering impact under the Trust's environmental sustainability and resilience, and inclusive communities verticals.

#### Environmental Sustainability and Resilience

The Trust is committed to improving resource efficiency across our commercial income properties located in the GTA, with significant capital expenditures anticipated over the next five years. By 2025, the Trust is targeting a 20% reduction in GHG emissions across the income property portfolio. Certain of these capital expenditures include retrofitting all lighting to LED, installing low-flow fixtures in all washrooms, installing real-time utility metering and pursuing Building Owners and Managers Association of Canada ("BOMA") certifications for buildings not currently certified. In addition, commercial buildings at our Zibi development are carbon-neutral as they utilize the District Energy System.

#### Inclusive Communities

The Trust is promoting tenant health and wellness by building and promoting the use of amenity packages to encourage a more active lifestyle for our tenants, including end-of-trip facilities and bike storage. The Trust is also modifying its procurement process to be more inclusive and promote opportunities for underserved populations.

## 10.2 GEOGRAPHIC ALLOCATION

The following table summarizes our condensed consolidated net assets as at June 30, 2024 by geographic allocation, excluding cash and the Trust's other condensed consolidated working capital and tax.

As at	June 30, 2024	December 31, 2023
Toronto and GTA	73.8 %	79.0 %
Ottawa/Gatineau	26.2 %	21.0 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

## 10.3 FORWARD-LOOKING INFORMATION

Certain information herein contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements relating to the Trust's objectives and strategies to achieve those objectives, the Trust's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth and drivers thereof, results of operations, performance, business prospects and opportunities, market conditions, acquisitions or divestitures, leasing transactions, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, the real estate and lending industries in general, in each case, that are not historical facts; as well as statements in respect of our development, redevelopment and acquisition pipelines and our intention to further invest in best-in class income properties; the Trust's expectations regarding its distribution policy; the belief that the Trust's development portfolio is composed of high-quality assets that represent a significant source of growth, which are expected to generate future income and cash flows as projects are developed; the expectation that development segment earnings will fluctuate and that the development segment will generate returns and continued value creation over time; expectations regarding the total management fees payable to DAM in future periods and the potential savings that may be achieved by satisfying certain management fees payable under the Management Agreement by the issuance of units; the Trust's expectations regarding upcoming debt maturities and the expectation of repayment and/or renewal of debt; the belief that the Trust's portfolio will be resilient and valuable due to its impact investments; the Trust's focus on impact investing, including its intention to align its investments with its impact verticals; our intention to invest in further impact investment opportunities, wind down or exit non-impact investments (including the lending portfolio) and increase financial flexibility from our build-to-sell assets; our zoning and other municipal applications in respect of our projects; our intention to grow our recurring income segment and diversify our asset composition; our leasing activities and timelines; the expectation that project value may appreciate as rezoning and pre-development processes progress; expectations for multi-family assets; the Trust's ability to achieve its impact and sustainability goals, including in respect of its impact verticals, and implementing other sustainability initiatives throughout its projects; the Trust's expectations that cash generated from operations will increase and stabilize; the Trust's plans and proposals for current and future development and redevelopment projects, construction initiation, completion and occupancy/stabilization dates, rezoning, number and type of units, square footage of retail, institutional and commercial space, planned GLA and GFA, acreage, and outdoor space; expected occupancy at the Trust's development projects; the Trust's expected effective economic interest in certain projects and the expected interest held by third parties; ownership of certain units and GFA square footage in certain projects by not-for-profit entities; expectations that debt will wind down

over time; the plan to transfer projects to the recurring income segment to generate stabilized income; the expected value and yield of developments on completion; the expected sustainability impact of and sustainability plans for our development projects, including in respect of number of residents and workers, affordability, number of affordable units, green space, partnerships with Indigenous and First Nations groups and other stakeholders, community space, water efficiency and clean energy features, sustainable transportation infrastructure, accessibility, building retrofits, tenant engagement and community programming, procurement process, and other sustainable features; the sufficiency of the Trust's liquidity and hedging strategies and capital resources to fulfill the Trust's ongoing obligations, including in respect of its ability to mitigate its debt exposure and reduce interest rate uncertainty; the Trust's goal of being carbon-neutral by 2035; the Trust's goal of reducing greenhouse gas emissions by 20% in respect of certain properties; the targeted 20% reduction in GHG emissions target across the Trust's income property portfolio by 2025; expected development approvals; expectations regarding the Trust's access to investment opportunities through partners and relationships; expectations regarding future purchases by the Trust under its 2024 NCIB; the Trust's sources of funding and the uses thereof; the Trust's intention to adopt certain accounting revisions pursuant to regulatory changes; and our expectations regarding the Trust's income tax expense and recovery, deferred tax liabilities and assets, and the Trust's ability to manage its portfolio in a tax-efficient manner.

Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "potential", "seek", "strategy", "project", "continue", "strive", "target", "forecast", "outlook" or similar expressions suggesting future outcomes or events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. The assumptions, which may prove to be incorrect, include the various assumptions set forth herein as well as assumptions including, but not limited to: that the general economy remains stable; that gradual recovery and growth of the general economy continues throughout 2024; that no unforeseen changes in the legislative and operating framework for our business will occur; that there will be no material change to environmental regulations that may adversely impact our business; that we will meet our future objectives, priorities and growth targets; that we receive the licenses, permits or approvals necessary in connection with our projects; that inflation and interest rates will not materially increase beyond current market expectations; that we will have access to adequate capital to fund our future projects, plans and any potential acquisitions; that we are able to identify high-quality investment opportunities and find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities; that there will not be a material change in foreign exchange rates; that the impact of the current economic climate and global financial conditions on our operations will remain consistent with our current expectations; and that competition for and availability of acquisitions remains consistent with the current climate. All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions but are subject to inherent risks and uncertainties. Consequently, actual results could differ materially from the conclusions, forecasts or projections in the forward-looking information and there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to: the risk of adverse global market, economic and political conditions; liquidity risk; financing and risks relating to access to capital; interest rate risks; public health risks; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism, or other acts of violence, and international sanctions; inflation; the disruption of free movement of goods and services across jurisdictions; risks inherent in the real estate industry; risks relating to investment in development projects; impact investing strategy risk; risks relating to geographic concentration; risks inherent in investments in real estate, mortgages and other loans and development and investment holdings; credit risk and counterparty risk; competition risks; environmental and climate change risks; the risk of changes in governmental laws and regulations; tax risks; foreign exchange risk; acquisitions risk; and leasing risks and other risks and factors described under or referenced under "Risks and Risk Management" in this MD&A and described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of August 6, 2024. The Trust does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at [www.dreamimpacttrust.ca](http://www.dreamimpacttrust.ca).

Certain market information has been obtained from Standard & Poor's publications prepared by independent, third-party commercial firms that provide information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

In addition, certain disclosures incorporated by reference into this report including, but not limited to, information regarding our development and investment holdings' development partners were obtained from publicly available information. We have not independently verified any such information. Documents and websites referenced herein are not incorporated by

reference into this MD&A, unless such incorporation by reference is explicit. The information contained on the Trust's website is not intended to be included in or incorporated by reference into this MD&A.

## 10.4 TAX INFORMATION

Until February 24, 2024, the Trust paid a monthly distribution to its unitholders of which only a portion is taxable. A taxable Canadian holder of the units is required to include the taxable portion of the distribution in income. Any amount in excess of the after-tax net income of the Trust payable to the unitholder will generally not be included in the unitholders' income for the year. The non-taxable portion of the distribution received by a unitholder will reduce the unitholders' tax cost of their investment. On an annual basis, the unitholders were provided with information relating to the tax treatment of the monthly distributions.

The Trust has determined that the distributions for the following years should be treated in the following manner:

	2023	2022	2021	2020	2019	2018	2017	2016
Non-eligible dividends	—%	—%	—%	—%	—%	0.02%	0.06%	—%
Eligible dividends	—%	—%	—%	—%	—%	—%	—%	—%
Return of capital	100.00%	100.00%	100.00%	100.00%	92.83%	95.00%	99.94%	100.00%
Foreign non-business income	—%	—%	—%	—%	7.17%	4.98%	—%	—%

## 10.5 ADDITIONAL INFORMATION

Additional information relating to Dream Impact Trust, including the Trust's Annual Information Form and audited consolidated financial statements and accompanying notes, is available under the Trust's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). The Trust's units trade on the TSX under the symbol "MPCT.UN".



# CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)

<i>(in thousands of Canadian dollars)</i>	Note	June 30, 2024	December 31, 2023	January 1, 2023
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Development and investment holdings	\$	— \$	4,060 \$	5,193
Lending portfolio	6	8,906	11,464	10,548
Income properties	7	276,547	278,017	303,855
Deferred income taxes	16	13,535	9,624	—
Other non-current assets		4,443	3,701	3,855
Equity accounted investments	8	386,614	387,027	386,111
<b>TOTAL NON-CURRENT ASSETS</b>		<b>690,045</b>	<b>693,893</b>	<b>709,562</b>
<b>CURRENT ASSETS</b>				
Lending portfolio	6	3,220	2,536	5,066
Amounts receivable		3,064	3,710	3,353
Prepaid expenses and other current assets		421	1,111	3,944
Cash		10,045	6,176	2,244
<b>TOTAL CURRENT ASSETS</b>		<b>16,750</b>	<b>13,533</b>	<b>14,607</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>706,795 \$</b>	<b>707,426 \$</b>	<b>724,169</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Debt	9 \$	92,241 \$	172,069 \$	91,907
Deferred income taxes	16	—	—	5,568
Deferred units incentive plan		252	295	594
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>92,493</b>	<b>172,364</b>	<b>98,069</b>
<b>CURRENT LIABILITIES</b>				
Debt	9	185,935	97,987	128,982
Amounts payable and other liabilities	10	6,450	7,787	16,729
Deferred units incentive plan		432	631	1,657
<b>TOTAL CURRENT LIABILITIES</b>		<b>192,817</b>	<b>106,405</b>	<b>147,368</b>
<b>TOTAL LIABILITIES</b>		<b>285,310</b>	<b>278,769</b>	<b>245,437</b>
<b>UNITHOLDERS' EQUITY</b>				
Unitholders' equity		563,485	561,481	553,230
Retained earnings (deficit)		(144,412)	(133,290)	(76,785)
Accumulated other comprehensive income	12	2,412	466	2,287
<b>TOTAL UNITHOLDERS' EQUITY</b>		<b>421,485</b>	<b>428,657</b>	<b>478,732</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b>706,795 \$</b>	<b>707,426 \$</b>	<b>724,169</b>

See the accompanying notes to the condensed consolidated financial statements.  
Commitments and contingencies (Note 20)

On behalf of the Board of Trustees of Dream Impact Trust:

**"Amar Bhalla"**

Amar Bhalla  
Chair

**"Karine MacIndoe"**

Karine MacIndoe  
Trustee

# CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

		Three months ended June 30,		Six months ended June 30,	
(in thousands of Canadian dollars)	Note	2024	2023	2024	2023
<b>INCOME</b>					
Lending portfolio interest income and lender fees		\$ 16	\$ 400	\$ 180	\$ 795
Income properties revenue	13	6,045	4,318	10,546	8,729
Share of income (loss) from equity accounted investments	8	(8,541)	392	(12,266)	(490)
<b>TOTAL INCOME (LOSS)</b>		<b>(2,480)</b>	<b>5,110</b>	<b>(1,540)</b>	<b>9,034</b>
<b>EXPENSES</b>					
Income properties, operating		(2,459)	(2,296)	(4,941)	(4,709)
Interest expense	14	(4,137)	(4,174)	(8,337)	(7,972)
General and administrative	15	(1,333)	(1,674)	(2,916)	(3,862)
<b>TOTAL EXPENSES</b>		<b>(7,929)</b>	<b>(8,144)</b>	<b>(16,194)</b>	<b>(16,543)</b>
Fair value adjustments to income properties	7	63	(9,843)	(2,790)	(10,300)
<b>OPERATING LOSS</b>		<b>(10,346)</b>	<b>(12,877)</b>	<b>(20,524)</b>	<b>(17,809)</b>
Interest and other income		3,168	275	5,727	404
Fair value adjustments to financial instruments	9	—	308	7	401
<b>LOSS BEFORE INCOME TAX RECOVERY (EXPENSE)</b>		<b>(7,178)</b>	<b>(12,294)</b>	<b>(14,790)</b>	<b>(17,004)</b>
<b>INCOME TAX RECOVERY (EXPENSE)</b>					
Current income tax expense	16	—	—	—	(1)
Deferred income tax recovery	16	2,422	3,631	4,612	4,985
<b>TOTAL INCOME TAX RECOVERY</b>		<b>2,422</b>	<b>3,631</b>	<b>4,612</b>	<b>4,984</b>
<b>NET LOSS</b>		<b>(4,756)</b>	<b>(8,663)</b>	<b>(10,178)</b>	<b>(12,020)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Share of other comprehensive income (loss) from equity accounted investments, net of tax	12	(727)	2,417	840	1,749
Fair value adjustments to derivative financial liabilities hedges, net of tax	12	(461)	2,521	1,106	1,922
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(1,188)</b>	<b>4,938</b>	<b>1,946</b>	<b>3,671</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>\$ (5,944)</b>	<b>\$ (3,725)</b>	<b>\$ (8,232)</b>	<b>\$ (8,349)</b>

See the accompanying notes to the condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited)

For the six months ended June 30, 2024

<i>(in thousands of Canadian dollars, except for number of units)</i>	Note	Number of units	Unitholders' equity	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Total
<b>Balance as at January 1, 2024</b>		<b>17,571,967</b>	<b>\$ 561,481</b>	<b>\$ (133,290)</b>	<b>\$ 466</b>	<b>\$ 428,657</b>
Net loss for the period		—	—	(10,178)	—	(10,178)
Other comprehensive income	12	—	—	—	1,946	1,946
Distributions paid and payable	11	—	—	(944)	—	(944)
Distribution Reinvestment Plan	11	125,732	710	—	—	710
Deferred units exchanged for Trust units		13,696	55	—	—	55
Units issued as settlement of asset management fees	18	261,383	1,239	—	—	1,239
<b>Balance as at June 30, 2024</b>		<b>17,972,778</b>	<b>\$ 563,485</b>	<b>\$ (144,412)</b>	<b>\$ 2,412</b>	<b>\$ 421,485</b>

For the six months ended June 30, 2023

<i>(in thousands of Canadian dollars, except for number of units)</i>	Note	Number of units	Unitholders' equity	Retained earnings (deficit)	Accumulated other comprehensive income	Total
<b>Balance as at January 1, 2023</b>		<b>16,760,628</b>	<b>\$ 553,230</b>	<b>\$ (76,785)</b>	<b>\$ 2,287</b>	<b>\$ 478,732</b>
Net loss for the period		—	—	(12,020)	—	(12,020)
Other comprehensive income	12	—	—	—	3,671	3,671
Distributions paid and payable	11	—	—	(6,796)	—	(6,796)
Distribution Reinvestment Plan	11	193,978	2,597	—	—	2,597
Deferred units exchanged for Trust units		14,937	193	—	—	193
Cancellation of Trust units	11	(48,790)	(598)	—	—	(598)
Units issued as settlement of asset management fees	18	210,657	2,982	—	—	2,982
<b>Balance as at June 30, 2023</b>		<b>17,131,410</b>	<b>\$ 558,404</b>	<b>\$ (95,601)</b>	<b>\$ 5,958</b>	<b>\$ 468,761</b>

See the accompanying notes to the condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

		Three months ended June 30,		Six months ended June 30,	
(in thousands of Canadian dollars)	Note	2024	2023	2024	2023
<b>Generated from (utilized in) operating activities</b>					
Net loss		\$ (4,756)	\$ (8,663)	\$ (10,178)	\$ (12,020)
Non-cash and other items:					
Amortization and depreciation	19	678	433	1,122	926
Other adjustments	19	(6,073)	(4,310)	(10,668)	(6,402)
Change in non-cash working capital	19	115	(7,328)	294	(7,520)
Investment in lease incentives and initial direct leasing costs	7, 19	(587)	(702)	(1,943)	(1,050)
Asset management fee settled in units		716	1,209	1,239	2,982
Fair value adjustments to income properties	7	(63)	9,843	2,790	10,300
Share of (income) loss from equity accounted investments	8	8,541	(392)	12,266	490
<b>Utilized in operating activities</b>		<b>\$ (1,429)</b>	<b>\$ (9,910)</b>	<b>\$ (5,078)</b>	<b>\$ (12,294)</b>
<b>Generated from (utilized in) investing activities</b>					
Investments in building improvements	7, 19	(65)	(692)	(126)	(1,959)
Changes in restricted cash balance		328	—	864	1,119
Distributions from equity accounted investments		512	8,048	512	11,943
Investments in equity accounted investments		(7,910)	(3,919)	(12,169)	(13,906)
Proceeds from investment holdings		2,802	—	2,802	—
Acquisitions of equity accounted investments, including transaction costs		—	(821)	—	(9,781)
Lending portfolio additions	6	—	—	—	(56)
Principal repayments received from lending portfolio	6	2,520	—	2,520	—
Proceeds from disposal of equity accounted investment	8	—	—	3,700	—
Cash distributions from participating mortgage receivable		4,400	—	4,400	—
<b>Generated from (utilized in) investing activities</b>		<b>\$ 2,587</b>	<b>\$ 2,616</b>	<b>\$ 2,503</b>	<b>\$ (12,640)</b>
<b>Generated from (utilized in) financing activities</b>					
Advances on revolving credit facility	9	7,000	—	11,500	5,500
Repayments on revolving credit facility	9	(3,100)	—	(4,500)	(47,200)
Long-term debt borrowings, net of deferred financing costs	9	—	(31)	—	106,239
Advances on the promissory note payable	9	750	—	750	—
Cancellation of Trust units	11	—	(176)	—	(598)
Mortgage repayments	9	(100)	—	(135)	(20,000)
Distributions paid on units	11	—	(1,821)	(1,171)	(5,520)
<b>Generated from (utilized in) financing activities</b>		<b>\$ 4,550</b>	<b>\$ (2,028)</b>	<b>\$ 6,444</b>	<b>\$ 38,421</b>
<b>Increase (decrease) in cash</b>		<b>\$ 5,708</b>	<b>\$ (9,322)</b>	<b>\$ 3,869</b>	<b>\$ 13,487</b>
<b>Cash, beginning of the period</b>		<b>4,337</b>	<b>25,053</b>	<b>6,176</b>	<b>2,244</b>
<b>Cash, end of the period</b>		<b>\$ 10,045</b>	<b>\$ 15,731</b>	<b>\$ 10,045</b>	<b>\$ 15,731</b>

See the accompanying notes to the condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(All dollar amounts are presented in thousands of Canadian dollars, except for unit and per unit amounts, unless otherwise stated)

## 1. ORGANIZATION

Dream Impact Trust ("Dream Impact" or the "Trust") is an open-ended trust established under the laws of the Province of Ontario by a Declaration of Trust dated April 28, 2014, amended and restated on July 8, 2014, October 26, 2020, and further amended and restated on June 7, 2021. The condensed consolidated financial statements of Dream Impact include the accounts of Dream Impact and its consolidated subsidiaries. The Trust was formed by, and is managed by, Dream Asset Management Corporation ("DAM" or the "Asset Manager"), a wholly owned subsidiary of Dream Unlimited Corp. ("Dream"). On January 1, 2018, Dream acquired control of the Trust, based on Dream's increased exposure to variable returns resulting from increased ownership through units held in the Trust and from new real estate joint venture agreements. Dream is the ultimate parent company of the Trust. The ultimate controlling party of the Trust is Michael Cooper, President and Chief Responsible Officer of DAM and Dream.

Dream Impact is a dedicated impact investment vehicle. The Trust's underlying portfolio is comprised of exceptional real estate assets reported under two operating segments: development and recurring income.

The Trust's registered office is 30 Adelaide Street East, Suite 301, Toronto, Ontario, Canada, M5C 3H1. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "MPCT.UN". Dream Impact's condensed consolidated financial statements for the three and six months ended June 30, 2024 were authorized for issuance by the Board of Trustees on August 6, 2024.

For simplicity, throughout the notes, reference is made to the units of the Trust as follows:

- "units" meaning Trust voting units, and
- "unitholders" meaning holders of Trust voting units.

## 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS 34), "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB ("IFRS Accounting Standards"), have been omitted or condensed. The condensed consolidated financial statements should be read in conjunction with the Trust's annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

## 3. ACCOUNTING POLICIES SELECTED AND APPLIED FOR MATERIAL TRANSACTIONS AND EVENTS

These condensed consolidated financial statements have been prepared using the same material accounting policies and methods as those used in the Trust's annual financial statements for the year ended December 31, 2023, except for the adoption of the amendments to IAS 1 described in Note 5, "Adoption of Accounting Standards" and the Trust's operating segments as described in Note 17, "Segmented Information".

## 4. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. The critical accounting judgments estimates, and assumptions applied during the quarter are consistent with those set out in Note 4 to the Trust's audited annual consolidated financial statements for the year ended December 31, 2023.

## 5. ADOPTION OF ACCOUNTING STANDARDS

### CURRENT ACCOUNTING POLICY CHANGES

The Trust has adopted the following revised standard, along with any consequential amendments, effective January 1, 2024.

#### AMENDMENTS TO IAS 1, "PRESENTATION OF FINANCIAL STATEMENTS" ("IAS 1")

Effective January 1, 2024 the Trust adopted amendments to IAS 1 relating to the classification of liabilities as current or non-current and non-current liabilities with covenants. As a result, the Trust classifies liabilities as current when it expects to settle the liability in its normal operating cycle, holds the liability primarily for the purpose of trading, the liability is due to be settled within twelve months after the reporting period, or the entity does not have a right, at the end of the reporting period, to defer settlement of the liability for at least twelve months. Settlement refers to the extinguishment of the liability by a transfer to the counterparty, which includes a transfer of the Trust's units. As the Trust's units are presented as equity on reliance of the "puttable instrument exemption" as described in the 2023 annual audited financial statements, the holder's right to demand settlement of a liability in Trust units is not presented as an equity conversion option in the Trust's equity, and thus is a form of settlement of the liability. The Trust may be required to settle the convertible debentures and vested units in the deferred unit incentive plan Trust units on demand and does not have the right to defer settlement of such instruments for a period of more than twelve months from the reporting date. As a result, the Trust has classified these liabilities where there is no right to defer settlement in Trust units as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.

The Trust has transferred the convertible debentures (net of unamortized discount on host instrument, conversion feature and unamortized deferred financing costs) and the current portion of the deferred units incentive plan from non-current to current liabilities as summarized in the table below:

	January 1, 2023	IAS 1 Amendment	Adjusted January 1, 2023
<b>NON-CURRENT LIABILITIES</b>			
Debt	\$ 159,189	\$ (67,282)	\$ 91,907
Deferred Units Incentive Plan	2,251	(1,657)	594
<b>CURRENT LIABILITIES</b>			
Debt	\$ 61,700	\$ 67,282	\$ 128,982
Deferred Units Incentive Plan	—	1,657	1,657

  

	December 31, 2023	IAS 1 Amendment	Adjusted December 31, 2023
<b>NON-CURRENT LIABILITIES</b>			
Debt	\$ 239,606	\$ (67,537)	\$ 172,069
Deferred Units Incentive Plan	926	(631)	295
<b>CURRENT LIABILITIES</b>			
Debt	\$ 30,450	\$ 67,537	\$ 97,987
Deferred Units Incentive Plan	—	631	631

As at June 30, 2024, the Trust recognized \$67,882 of convertible debentures and \$432 for the deferred units incentive plan in current liabilities.

### FUTURE ACCOUNTING POLICY CHANGES

Standards issued but not yet effective up to the date of issuance of the Trust's consolidated financial statements that are likely to have an impact on the Trust are noted below, and represent the standards and interpretations the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt these standards when they become effective.

#### IFRS 18 "PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS" ("IFRS 18")

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of comprehensive income where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Trust is in the process of assessing the impact of this new standard.

## 6. LENDING PORTFOLIO

For the periods ended		June 30, 2024	December 31, 2023
<b>Balance, beginning of period</b>	\$	<b>14,000</b>	\$ 15,614
<b>Add (deduct):</b>			
Lending portfolio advances		—	56
Changes in accrued interest balance		(82)	(61)
Interest capitalized to lending portfolio balance		136	704
Amortization of premium on lending portfolio		—	662
Transfer from equity accounted investments		592	—
Principal repayments		(2,520)	(2,975)
<b>Balance, end of period<sup>(1)</sup></b>	\$	<b>12,126</b>	\$ 14,000
Less: current portion		3,220	2,536
<b>Non-current portion of lending portfolio</b>	\$	<b>8,906</b>	\$ 11,464

<sup>(1)</sup> Lending portfolio balance includes a loan of \$nil (December 31, 2023 – \$2,536) that is classified as Fair Value Through Profit and Loss ("FVTPL"), based on the contractual amount owed at the end of the maturity date.

The table below provides a summary of the Trust's lending portfolio:

As at		June 30, 2024	December 31, 2023
Weighted average interest rate (period-end)		12.9%	13.8%
Maturity dates		2025–2027	2023–2027
Balance of accrued interest	\$	—	\$ 82
Loans with prepayment options	\$	3,910	\$ 5,972

During the six months ended June 30, 2024, a loan for \$2,536 was repaid, inclusive of interest.

## 7. INCOME PROPERTIES

For the periods ended		June 30, 2024	December 31, 2023
<b>Balance, beginning of period</b>	\$	<b>278,017</b>	\$ 303,855
<b>Add (deduct):</b>			
Building improvements		105	1,981
Lease incentives and initial direct leasing costs		1,825	4,510
Amortization of lease incentives		(610)	(941)
Fair value adjustments to income properties		(2,790)	(31,388)
<b>Balance, end of period</b>	\$	<b>276,547</b>	\$ 278,017
<b>Change in unrealized losses included in net income for the period</b>			
Change in fair value of income properties	\$	(2,790)	\$ (31,388)

As at June 30, 2024, the Trust's income properties consisted of ten wholly owned office properties, inclusive of five properties that are part of a land assembly slated for redevelopment, and an interest in an office property co-owned with Dream Office Real Estate Investment Trust ("Dream Office REIT"), which is accounted for as a joint operation.

During the six months ended June 30, 2024, the Trust entered into an agreement to sell 10 Lower Spadina and 349 Carlaw. As at June 30, 2024, the fair value of these two properties approximates the sale price.

A summary of assumptions in the valuation of income properties (excluding 49 Ontario Street), using the discounted cash flow method, as at June 30, 2024 and December 31, 2023, is as follows:

	June 30, 2024		December 31, 2023	
	Range	Weighted average	Range	Weighted average
Discount rates (%)	7.00–8.00	7.74 %	7.00–8.00	7.71 %
Terminal cap rates (%)	6.50–7.50	7.24 %	6.50–7.50	7.21 %
Market rents (in dollars per square foot) <sup>(1)</sup>	\$ 18.75–36.50	\$ 21.76	\$ 18.75–36.50	\$ 21.76

<sup>(1)</sup> Market rents represent year one rates in the discounted cash flow method. Market rents include office space only and exclude retail space. Market rents represent base rents only and do not include the impact of lease incentives.



The following sensitivity table outlines the potential impact on the fair value of income properties, assuming a change in the weighted average discount rates and terminal cap rates by a respective 25 basis points ("bps") as at June 30, 2024:

	Impact of changes to weighted average discount rates		Impact of changes to weighted average terminal cap rates	
	+25 bps	-25 bps	+25 bps	-25 bps
Increase (decrease) in value	\$ (2,390)	\$ 2,555	\$ (2,496)	\$ 2,792

The asset, 49 Ontario Street, was valued based on highest and best use, which is considered to be the asset's redevelopment potential. The asset was valued using the direct comparison approach, with density and price per square foot as significant assumptions. Generally, an increase in density and price per square foot would result in an increase in fair values. Using market comparables as a sensitivity, approximately \$159 per square foot would result in a decrease of \$2,292 in fair value, and approximately \$165 per square foot would result in an increase of \$3,273.

As at June 30, 2024, income properties with a fair value of \$276,547 (December 31, 2023 – \$278,017) were pledged as security for debt.

## 8. EQUITY ACCOUNTED INVESTMENTS

The Trust participates in various partnerships with other parties for the purpose of investing in various residential and mixed-use investment property developments, which are accounted for using the equity investment method. These partnerships are either considered joint ventures or investments in associates. A joint venture is an arrangement entered into in the form of jointly controlled entities whereby the parties have joint control and have rights to the net assets of the arrangement. Investments in associates are those in which the Trust has significant influence over the arrangement. Each equity accounted investment is subject to a shareholder or limited partnership agreement that governs distributions from these investments. In addition, distributions must comply with the respective credit agreements.

During the three and six months ended June 30, 2024, the Trust sold its interest in 100 Steeles, a commercial property located in Vaughan, Ontario, for a nominal amount. The Trust recognized a \$5,617 loss in the share of income (loss) from equity accounted investments in the period. The Trust had a 37.5% interest in 100 Steeles.

During the six months ended June 30, 2024, the Trust sold its 9% interest in the Queen and Mutual Street development to DAM for cash proceeds of \$3,700. The Trust recognized a gain on sale of \$2,755, excluding transaction costs, included in interest and other income.

The following tables summarize the Trust's proportionate share of net assets of its equity accounted investments:

As at June 30, 2024	Ownership interest	Assets <sup>(1)</sup>	Liabilities	Net assets
<b>Development</b>				
Zibi Development	50.00%	\$ 175,050	\$ 97,746	\$ 77,304
Forma	25.00%	152,089	101,476	50,613
Brightwater	23.25%	176,321	134,303	42,018
Victory Silos	37.50%	68,222	56,310	11,912
Cherry House at Canary Landing	25.00%	85,051	65,152	19,899
Dream LeBreton	33.33%	11,745	5,305	6,440
IVY Condominiums	75.00%	25,883	21,737	4,146
Birch House at Canary Landing	25.00%	28,938	19,001	9,937
Quayside	12.50%	33,928	23,178	10,750
Other <sup>(2)</sup>	2.50%–45.00%	84,300	75,949	8,351
<b>Total development</b>		<b>\$ 841,527</b>	<b>\$ 600,157</b>	<b>\$ 241,370</b>
<b>Multi-family rental</b>				
70 Park	50.00%	53,705	34,458	19,247
Weston Common	33.33%	127,861	85,351	42,510
Robinwood Portfolio	33.33%	39,908	27,994	11,914
Aalto Suites	50.00%	36,684	30,757	5,927
Aalto II	50.00%	34,884	32,302	2,582
Maple House at Canary Landing	25.00%	113,572	94,109	19,463
Other <sup>(3)</sup>	33.33%–75.00%	18,852	8,665	10,187
<b>Total multi-family rental</b>		<b>\$ 425,466</b>	<b>\$ 313,636</b>	<b>\$ 111,830</b>
<b>Commercial</b>				
Zibi commercial properties <sup>(4)</sup>	20.00%–50.00%	70,153	53,812	16,341
Other <sup>(5)</sup>	20.00%–40.00%	36,139	19,066	17,073
<b>Total commercial</b>		<b>\$ 106,292</b>	<b>\$ 72,878</b>	<b>\$ 33,414</b>
<b>Total recurring income</b>		<b>\$ 531,758</b>	<b>\$ 386,514</b>	<b>\$ 145,244</b>
<b>Total</b>		<b>\$1,373,285</b>	<b>\$ 986,671</b>	<b>\$ 386,614</b>

<sup>(1)</sup> The Trust's share of assets includes transaction costs, where applicable, attributable to the investments.

<sup>(2)</sup> Other equity accounted investments from development includes the Seaton development, Scarborough Junction, 673 Warden and West Don Lands Block 20.

<sup>(3)</sup> Other equity accounted investments from multi-family rental include IVY Rentals, 262 Jarvis, 111 Cosburn and 786 Southwood.

<sup>(4)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(5)</sup> Other equity accounted investments from commercial recurring income include 34 Madison, Plaza Bathurst, Plaza Imperial and Zibi Community Utility.

As at December 31, 2023	Ownership interest	Assets <sup>(1)</sup>	Liabilities	Net assets
<b>Development</b>				
Zibi Development	50.00%	\$ 167,553	\$ 93,409	\$ 74,144
Forma	25.00%	145,933	95,275	50,658
Brightwater	23.25%	162,927	123,100	39,827
Victory Silos	37.50%	67,933	56,376	11,557
Cherry House at Canary Landing	25.00%	68,354	49,678	18,676
Dream LeBreton	33.33%	6,758	2,507	4,251
IVY Condominiums	75.00%	87,666	76,771	10,895
Birch House at Canary Landing	25.00%	25,059	15,215	9,844
Quayside	12.50%	33,221	22,823	10,398
Other <sup>(2)</sup>	2.50%–45.00%	95,902	84,230	11,672
<b>Total development</b>		<b>\$ 861,306</b>	<b>\$ 619,384</b>	<b>\$ 241,922</b>
<b>Multi-family rental</b>				
70 Park	50.00%	54,222	34,760	19,462
Weston Common	33.33%	125,360	85,712	39,648
Robinwood Portfolio	33.33%	40,560	27,920	12,640
Aalto Suites	50.00%	35,119	30,351	4,768
Aalto II	50.00%	30,323	27,551	2,772
Maple House at Canary Landing	25.00%	108,839	90,058	18,781
Other <sup>(3)</sup>	33.33%–50.00%	14,465	8,700	5,765
<b>Total multi-family rental</b>		<b>\$ 408,888</b>	<b>\$ 305,052</b>	<b>\$ 103,836</b>
<b>Commercial</b>				
Zibi commercial properties <sup>(4)</sup>	20.00%–50.00%	74,693	55,504	19,189
100 Steeles	37.50%	12,614	7,028	5,586
Other <sup>(5)</sup>	20.00%–40.00%	32,410	15,916	16,494
<b>Total commercial</b>		<b>\$ 119,717</b>	<b>\$ 78,448</b>	<b>\$ 41,269</b>
<b>Total recurring income</b>		<b>\$ 528,605</b>	<b>\$ 383,500</b>	<b>\$ 145,105</b>
<b>Total</b>		<b>\$1,389,911</b>	<b>\$1,002,884</b>	<b>\$ 387,027</b>

<sup>(1)</sup> The Trust's share of assets includes transaction costs, where applicable, attributable to the investments.

<sup>(2)</sup> Other equity accounted investments from development includes the Seaton development, Scarborough Junction, Queen & Mutual, 34 Madison, 673 Warden and WDL Block 20.

<sup>(3)</sup> Other equity accounted investments from multi-family rental include 262 Jarvis, 111 Cosburn and 786 Southwood.

<sup>(4)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(5)</sup> Other equity accounted investments from commercial recurring income include Plaza Bathurst, Plaza Imperial and Zibi Community Utility.

The following tables summarize the Trust's proportionate share of net income (loss) of its equity accounted investments:

For the three months ended June 30, 2024	Ownership interest	Revenue	Net income (loss)
Development			
Zibi Development	50.00% \$	82 \$	(716)
Forma	25.00%	(2)	(215)
Brightwater	23.25%	20,070	3,459
IVY Condominiums	75.00 %	31,470	(3,961)
Other <sup>(1)</sup>	7.00%–75.00%	322	(601)
<b>Total development</b>	<b>\$</b>	<b>51,942 \$</b>	<b>(2,034)</b>
Recurring income			
<i>Multi-Family Rental</i>			
70 Park	50.00%	475	(93)
Weston Common	33.33%	1,481	1,234
Robinwood Portfolio	33.33%	486	(1,165)
Aalto Suites (Zibi Block 10)	50.00%	434	73
Aalto II	50.00%	208	(217)
Maple House at Canary Landing	25.00%	673	458
Other <sup>(2)</sup>	33.33% - 50.00%	164	(80)
<b>Total multi-family rental</b>	<b>\$</b>	<b>3,921 \$</b>	<b>210</b>
<i>Commercial</i>			
Zibi commercial properties <sup>(3)</sup>	20.00%–50.00%	1,268	(747)
100 Steeles	37.50%	168	(5,621)
Other <sup>(4)</sup>	20.00%–40.00%	322	(349)
<b>Total commercial</b>	<b>\$</b>	<b>1,758 \$</b>	<b>(6,717)</b>
<b>Total recurring income</b>	<b>\$</b>	<b>5,679 \$</b>	<b>(6,507)</b>
<b>Total</b>	<b>\$</b>	<b>57,621 \$</b>	<b>(8,541)</b>

<sup>(1)</sup> Other equity accounted investments from development include Victory Silos, Cherry House at Canary Landing, Birch House at Canary Landing, Quayside, West Don Lands Block 20, Seaton development, Scarborough Junction, 673 Warden and Dream LeBreton.

<sup>(2)</sup> Other equity accounted investments from multi-family rental recurring income include Mutual Street rental, 262 Jarvis, 111 Cosburn and 786 Southwood.

<sup>(3)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(4)</sup> Other equity accounted investments from commercial recurring income include 34 Madison, Plaza Bathurst, Plaza Imperial and Zibi Community Utility.

For the three months ended June 30, 2023	Ownership interest	Revenue	Net income (loss)
Development			
Zibi Development	50.00% \$	185 \$	(425)
Forma	25.00%	11	(497)
Brightwater	23.25%	—	(97)
IVY Condominiums	75.00%	—	(35)
Other <sup>(1)</sup>	2.50%–45.00%	465	641
<b>Total development</b>	<b>\$</b>	<b>661 \$</b>	<b>(413)</b>
Recurring income			
<i>Multi-family rental</i>			
70 Park	50.00%	458	(880)
Weston Common	33.33%	1,451	1,624
Robinwood	33.33%	456	(42)
Aalto Suites	50.00%	441	1,053
Other <sup>(2)</sup>	33.33%–50.00%	169	(862)
<b>Total multi-family rental</b>	<b>\$</b>	<b>2,975 \$</b>	<b>893</b>
<i>Commercial</i>			
Zibi commercial properties <sup>(3)</sup>	20.00%–50.00%	1,257	66
100 Steeles	37.50%	249	46
Other <sup>(4)</sup>	20.00%–40.00%	268	(200)
<b>Total commercial</b>	<b>\$</b>	<b>1,774 \$</b>	<b>(88)</b>
<b>Total recurring income</b>	<b>\$</b>	<b>4,749 \$</b>	<b>805</b>
<b>Total</b>	<b>\$</b>	<b>5,410 \$</b>	<b>392</b>

<sup>(1)</sup> Other equity accounted investments from development include Victory Silos, Cherry House at Canary Landing, Maple House at Canary Landing, Birch House at Canary Landing, Quayside, West Don Lands Block 20, Axis Condominiums, Seaton development, Scarborough Junction, Queen & Mutual, 34 Madison, 673 Warden and Dream LeBreton.

<sup>(2)</sup> Other equity accounted investments from multi-family rental include 262 Jarvis, 111 Cosburn and 786 Southwood.

<sup>(3)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(4)</sup> Other equity accounted investments from commercial recurring income include Plaza Bathurst, Plaza Imperial, and Zibi Community Utility.

For the six months ended June 30, 2024	Ownership interest	Revenue	Net income (loss)
Development			
Zibi Development	50.00% \$	3,717 \$	(96)
Forma	25.00%	—	(492)
Brightwater	23.25%	35,890	327
IVY Condominiums	75.00%	85,756	(3,005)
Other <sup>(1)</sup>	2.50%–45.00%	774	(712)
<b>Total development</b>	<b>\$</b>	<b>126,137 \$</b>	<b>(3,978)</b>
Recurring income			
Multi-family rental			
70 Park	50.00%	939	(1,639)
Weston Common	33.33%	2,909	1,822
Robinwood Portfolio	33.33%	972	(1,374)
Aalto Suites	50.00%	910	1,159
Aalto II	50.00%	344	(191)
Maple House at Canary Landing	25.00%	1,139	682
Other <sup>(2)</sup>	33.33%–50.00%	345	302
<b>Total multi-family rental</b>	<b>\$</b>	<b>7,558 \$</b>	<b>761</b>
Commercial			
Zibi commercial properties <sup>(3)</sup>	20.00%–50.00%	2,500	(2,832)
100 Steeles	37.50%	426	(5,603)
Other <sup>(4)</sup>	20.00%–40.00%	584	(614)
<b>Total commercial</b>	<b>\$</b>	<b>3,510 \$</b>	<b>(9,049)</b>
<b>Total recurring income</b>	<b>\$</b>	<b>11,068 \$</b>	<b>(8,288)</b>
<b>Total</b>	<b>\$</b>	<b>137,205 \$</b>	<b>(12,266)</b>

<sup>(1)</sup> Other equity accounted investments from development include Victory Silos, Cherry House at Canary Landing, Birch House at Canary Landing, Quayside, West Don Lands Block 20, Seaton development, Scarborough Junction, 673 Warden and Dream LeBreton.

<sup>(2)</sup> Other equity accounted investments from multi-family rental include Mutual Street rental, 262 Jarvis, 111 Cosburn and 786 Southwood.

<sup>(3)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(4)</sup> Other equity accounted investments from commercial recurring income include 34 Madison, Plaza Bathurst, Plaza Imperial, and Zibi Community Utility.

For the six months ended June 30, 2023	Ownership interest	Revenue	Net income (loss)
Development			
Zibi Development	50.00% \$	185 \$	(753)
Forma	25.00%	48	(820)
Brightwater	23.25%	—	(187)
IVY Condominiums	75.00%	—	(35)
Other <sup>(1)</sup>	2.50%–45.00%	770	826
<b>Total development</b>	<b>\$</b>	<b>1,003 \$</b>	<b>(969)</b>
Recurring income			
Multi-family rental			
70 Park	50.00%	881	(1,281)
Weston Common	33.33%	2,904	1,875
Robinwood	33.33%	907	(231)
Aalto Suites	50.00%	874	1,633
Other <sup>(2)</sup>	33.33%–50.00%	296	(918)
<b>Total multi-family rental</b>	<b>\$</b>	<b>5,862 \$</b>	<b>1,078</b>
Commercial			
Zibi commercial properties <sup>(3)</sup>	20.00%–50.00%	2,444	(93)
100 Steeles	37.50%	499	99
Other <sup>(4)</sup>	20.00%–40.00%	504	(605)
<b>Total commercial</b>	<b>\$</b>	<b>3,447 \$</b>	<b>(599)</b>
<b>Total recurring income</b>	<b>\$</b>	<b>9,309 \$</b>	<b>479</b>
<b>Total</b>	<b>\$</b>	<b>10,312 \$</b>	<b>(490)</b>

<sup>(1)</sup> Other equity accounted investments from development include Victory Silos, Cherry House at Canary Landing, Maple House at Canary Landing, Birch House at Canary Landing, Quayside, West Don Lands Block 20, Axis Condominiums, Seaton development, Scarborough Junction, Queen & Mutual, 34 Madison, 673 Warden and Dream LeBreton.

<sup>(2)</sup> Other equity accounted investments from multi-family rental include 262 Jarvis and 111 Cosburn.

<sup>(3)</sup> Zibi commercial properties includes 15 Rue Jos-Montferrand, the Natural Sciences Building, 310 Miwate Private, and Interzip Rogers, in which the Trust has a 50%, 50%, 50% and 20% interest, respectively.

<sup>(4)</sup> Other equity accounted investments from commercial recurring income include Plaza Bathurst, Plaza Imperial, and Zibi Community Utility.

## 9. DEBT

As at	June 30, 2024	December 31, 2023
Mortgages payable	\$ 172,480	\$ 172,615
Credit facility	7,000	—
Convertible debentures payable	70,000	70,000
Promissory note	31,200	30,450
Total debt payable	\$ 280,680	\$ 273,065
Unamortized discount on host instrument of convertible debentures	(687)	(820)
Conversion feature	—	7
Unamortized balance of deferred financing costs	(1,817)	(2,196)
Total debt	\$ 278,176	\$ 270,056
Less: current portion	185,935	97,987
Total non-current long-term debt	\$ 92,241	\$ 172,069

### DEBT CONTINUITY

	Mortgages payable	Convertible debentures	Credit facility	Promissory note	Total
	Host instrument	Conversion feature			
Balance as at January 1, 2023	\$ 112,186	\$ 66,833	\$ 449	\$ —	\$ 220,889
Credit facility advances	—	—	5,500	—	5,500
Credit facility repayments	—	—	(47,200)	—	(47,200)
Borrowings	80,000	—	—	30,450	110,450
Lump sum repayments	(20,000)	—	—	—	(20,000)
Fair value adjustments to financial instruments	—	—	(442)	—	(442)
Accretion on convertible debentures	—	266	—	—	266
Deferred financing cost additions	(359)	(6)	(102)	—	(467)
Deferred financing cost amortization	300	437	323	—	1,060
Balance as at December 31, 2023	\$ 172,127	\$ 67,530	\$ 7	\$ (58)	\$ 270,056
Credit facility advances	—	—	11,500	—	11,500
Credit facility repayments	—	—	(4,500)	—	(4,500)
Borrowings	—	—	—	750	750
Mortgage repayments	(135)	—	—	—	(135)
Fair value adjustments to financial instruments	—	—	(7)	—	(7)
Accretion on convertible debentures	—	133	—	—	133
Deferred financing cost amortization	141	219	19	—	379
Balance as at June 30, 2024	\$ 172,133	\$ 67,882	\$ —	\$ 31,200	\$ 278,176

### MORTGAGES PAYABLE

Mortgages payable are secured by charges on specific income properties. These facilities bear interest at a weighted average effective interest rate of 5.3% (December 31, 2023 – 5.3%) and mature between 2025 and 2027. Management actively pursues refinancing opportunities in line with the timing of expected debt repayments. Subsequent to June 30, 2024, the Trust renewed an \$80,000 land loan for a further two years to January 31, 2027.

### CONVERTIBLE DEBENTURES

The principal amount outstanding and the carrying value for the Trust's convertible debentures are as follows:

As at							June 30, 2024	December 31, 2023
Convertible debentures	Date issued	Maturity date	Conversion rate in units <sup>(1)</sup>	Coupon rate	Effective rate	Outstanding principal	Carrying value	Carrying value
2022 Debentures	Jun 9, 2022	Dec 31, 2027	31.2500	5.75%	6.02%	\$ 40,000	\$ 38,389	\$ 38,165
2021 Debentures	Aug 3, 2021	Jul 31, 2026	32.2373	5.50%	6.20%	30,000	29,493	29,372

<sup>(1)</sup> Per \$1 principal amount.

During the three and six months ended June 30, 2024, \$982 and \$1,964 of interest expense was recognized (three and six months ended June 30, 2023 – \$993 and \$1,975) and coupon payments of \$1,150 and \$1,975 were made (three and six months ended June 30, 2023 – \$1,150 and \$1,975) related to the convertible debentures.

## CREDIT FACILITIES AND OTHER DEBT

As at June 30, 2024, the demand revolving credit facility ("the facility", "the credit facility") was available to the Trust up to a formula-based maximum of \$25,000. Effective May 3, 2024, the facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") rate plus 2.25%, or at the bank's prime rate plus 1.25%, and is secured by a general security agreement over certain of the Trust's income properties, payable monthly. Previously the facility bore interest at the Bankers' Acceptance ("BA") rate plus 2.25%, or at the bank's prime rate plus 1.25%. The facility matures on April 30, 2025. As at June 30, 2024, \$7,000 was drawn on the facility (December 31, 2023 — \$nil), and funds available under the facility were \$11,790 (December 31, 2023 — \$16,700), net of \$300 of letters of credit issued against the facility (December 31, 2023 — \$300). The Trust is in the process of selling the income properties which are collateralized under the facility.

## FINANCIAL COVENANTS

The credit facility, the financial guarantees discussed in Note 20 and certain mortgages on income properties contain financial covenants that require the Trust to meet certain financial ratios, including debt service coverage and debt-to-asset value ratios, and financial condition tests, including minimum unitholders' equity. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing.

The following are financial covenants required to be met by MPCT LP, a wholly owned subsidiary of the Trust, under the terms of our credit facility and certain debt arrangements, applicable as at June 30, 2024:

Financial covenant	Financial covenant requirement
Unitholders' equity	≥ \$375,000
Debt-to-asset value	≤ 45.0%

During the six months ended June 30, 2024, the Trust amended its credit facility covenant requirements to increase the debt-to-asset value from less than or equal to 40% to less than or equal to 45%.

Project-level debt with debt service coverage ratios are based on the respective property level financials. The carrying value of the Trust's debt subject to periodic compliance with financial covenants as at June 30, 2024 is \$164,782.

As at June 30, 2024, the Trust was in compliance with these financial covenants.

## 10. AMOUNTS PAYABLE AND OTHER LIABILITIES

As at	June 30, 2024	December 31, 2023
Amounts payable and accrued liabilities	\$ 3,948	\$ 4,265
Distributions payable	—	937
Accrued interest	1,138	1,118
Rent received in advance	1,364	1,467
Total	\$ 6,450	\$ 7,787

## 11. UNITHOLDERS' EQUITY

### DREAM IMPACT UNITS

Dream Impact is authorized to issue an unlimited number of units and an unlimited number of Special Trust Units ("STUs"). Each unit represents an undivided beneficial interest in the Trust. Each unit is transferable and entitles the holder thereof to:

- an equal participation in distributions of the Trust;
- rights of redemption; and
- one vote at meetings of unitholders.

The STUs may only be issued to holders of exchangeable securities and entitle the holder to exchange the exchangeable securities for units. The STUs have a nominal redemption value, entitle the holder to vote at the Trust level and do not receive distributions. At June 30, 2024, there were no STUs issued and outstanding.



## DISTRIBUTIONS

Prior to February 15, 2024, pursuant to its Declaration of Trust, Dream Impact declared monthly distribution payments to unitholders payable on or about the 15th day of the following month. The amount of the annualized distribution paid was determined by the Trustees, at their sole discretion, based on what they considered appropriate given the circumstances of the Trust. The Trustees declared distributions out of the income, net realized capital gains, and capital of the Trust to the extent such amounts had not already been paid, allocated or distributed. On February 12, 2024, the Trust's Board of Trustees announced the suspension of the distribution to its unitholders until further notice. The last distribution declared prior to the suspension was paid on February 15, 2024. The following table provides details of the distribution payments:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Paid in cash	\$ —	\$ 1,821	\$ 1,171	\$ 5,520
Paid by way of reinvestment in units	—	905	710	2,597
Payable at beginning of period	—	(904)	(937)	(2,235)
Payable at end of period	—	914	—	914
<b>Total</b>	<b>\$ —</b>	<b>\$ 2,736</b>	<b>\$ 944</b>	<b>\$ 6,796</b>

## DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN ("DRIP")

As a result of the aforementioned distribution change, the DRIP was simultaneously suspended on February 12, 2024. For the six months ended June 30, 2024, 125,732 units were issued under the DRIP (six months ended June, 2023 – 193,978 units).

## UNIT BUYBACK PROGRAM

During the six months ended June 30, 2024, the Trust renewed its Normal Course Issuer Bid (the "2024 NCIB") for a one-year period, commencing February 1, 2024 to the earlier of January 31, 2025 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the 2024 NCIB, the Trust will have the ability to purchase for cancellation up to a maximum of 1,135,041 units (representing 10% of the Trust's public float of 11,350,415 units as of January 19, 2024) through the facilities of the TSX. Daily repurchases will be limited to 5,360 units, representing 25% of the average daily trading volume of the units on the TSX during the last six calendar months (being 21,441 units per day), other than purchases pursuant to applicable block purchase exceptions. The Trust has renewed its NCIB because it believes that units may become available during the period of the bid at prices that would make the purchase of such units for cancellation in the best interests of the Trust and its unitholders.

During the six months ended June 30, 2024, the Trust renewed its automatic securities repurchase plan (the "Plan") in order to facilitate purchases of its units under the NCIB. The Plan allows for purchases by the Trust of units at any time including, without limitation, times when the Trust would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Trust based upon the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the units may also be purchased in accordance with management's discretion. The Plan will terminate on January 31, 2025.

The following table summarizes the Trust's unitholders' equity activity for the periods ended as indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Units repurchased (number of units)	—	15,460	—	48,790
Total cash consideration	\$ —	\$ 176	\$ —	\$ 598

## 12. ACCUMULATED OTHER COMPREHENSIVE INCOME

The Trust has various interest rate swaps on certain debt, on its wholly and co-owned income properties and equity accounted investments. The Trust recognized a fair value gain within other comprehensive income of \$1,946, net of tax of \$701 associated with these hedging instruments during the period (six months ended June 30, 2023 – fair value gain of \$3,671, net of tax of \$1,324).

	Fair value adjustments to derivative financial liabilities hedge, net of tax	Share of other comprehensive income from equity accounted investments, net of tax	Total
Balance as at January 1, 2023	\$ 413	\$ 1,874	\$ 2,287
Other comprehensive income during the period	1,922	1,749	3,671
Balance as at June 30, 2023	\$ 2,335	\$ 3,623	\$ 5,958

	Fair value adjustments to derivative financial liabilities hedge, net of tax	Share of other comprehensive income from equity accounted investments, net of tax	Total
Balance as at January 1, 2024	\$ (290)	\$ 756	\$ 466
Other comprehensive income during the period	1,106	840	1,946
Balance as at June 30, 2024	\$ 816	\$ 1,596	\$ 2,412

### 13. INCOME PROPERTIES REVENUE

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Rental revenue	\$ 4,299	\$ 2,615	\$ 7,021	\$ 5,313
Common area maintenance and parking services revenue	1,746	1,703	3,525	3,416
Total	\$ 6,045	\$ 4,318	\$ 10,546	\$ 8,729

### 14. INTEREST EXPENSE

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest expense incurred, at contractual rate of debt and other bank charges	\$ 3,881	\$ 3,853	\$ 7,825	\$ 7,245
Accretion on convertible debenture host instrument	66	66	133	132
Amortization of deferred financing costs	190	255	379	595
Total	\$ 4,137	\$ 4,174	\$ 8,337	\$ 7,972

### 15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Salary and other compensation	\$ 328	\$ 329	\$ 748	\$ 767
Deferred compensation recovery	(111)	(363)	(187)	(688)
Trust, service and professional fees	978	1,006	1,971	1,877
General office and other	48	97	123	153
Asset management and other third-party service fees	90	605	261	1,753
Total	\$ 1,333	\$ 1,674	\$ 2,916	\$ 3,862

### 16. INCOME TAXES

During the three and six months ended June 30, 2024, the Trust recognized an income tax recovery of \$2,422 and \$4,612 (income tax recovery for three and six months ended June 30, 2023 – \$3,631 and \$4,984).

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Current tax adjustments in respect of prior years	\$ —	\$ —	\$ —	\$ (1)
Current income tax expense:	\$ —	\$ —	\$ —	\$ (1)
Deferred income tax recovery:				
Origination of temporary differences	\$ 2,422	\$ 3,631	\$ 4,612	\$ 4,985
Deferred tax adjustments in respect of prior years	—	—	—	—
Deferred income tax recovery	\$ 2,422	\$ 3,631	\$ 4,612	\$ 4,985
Income tax recovery	\$ 2,422	\$ 3,631	\$ 4,612	\$ 4,984

The income tax recovery amount on pre-tax earnings differs from the income tax recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.5% for the three and six months ended June 30, 2024 and 2023, as illustrated in the table below:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Loss before income tax recovery (expense) for the year	\$ (7,178)	\$ (12,294)	\$ (14,790)	\$ (17,004)
Combined federal and provincial tax rate	26.5 %	26.5 %	26.5 %	26.5 %
Income tax recovery before the undernoted	\$ 1,902	\$ 3,258	\$ 3,919	\$ 4,506
Effect on taxes of:				
Non-deductible expenses	\$ (61)	\$ (182)	\$ (123)	\$ (298)
Non-taxable income	(89)	273	(13)	479
Difference between Canadian rates and rates in foreign jurisdiction	14	—	14	—
Tax adjustments in respect of prior periods	—	—	—	(1)
Rate differences	34	270	302	297
Change in unrecognized deferred tax asset	627	—	499	—
Other items	(5)	12	14	1
Total income tax recovery	\$ 2,422	\$ 3,631	\$ 4,612	\$ 4,984

The movement in the deferred income tax assets and liabilities during the six months ended June 30, 2024 and the net components of the Trust's net deferred income tax asset are illustrated in the following table:

	Income properties	Lending portfolio	Development and investment holdings	Equity accounted investments	Other	Hedge	Loss carry-forward	Total
<b>Balance as at January 1, 2023</b>	\$ (18,033)	\$ 395	\$ 666	\$ (8,955)	\$ 48	\$ (825)	\$ 21,136	\$ (5,568)
(Charged) credited to:								
(Loss) earnings for the year	6,284	16	—	(375)	101	—	8,509	14,535
Other comprehensive loss	—	—	—	—	1	656	—	657
<b>Balance as at December 31, 2023</b>	\$ (11,749)	\$ 411	\$ 666	\$ (9,330)	\$ 150	\$ (169)	\$ 29,645	\$ 9,624
(Charged) credited to:								
(Loss) earnings for the year	15,937	8	8	2,251	26	—	(13,618)	4,612
Other comprehensive loss	—	—	—	—	—	(701)	—	(701)
<b>Balance as at June 30, 2024</b>	\$ 4,188	\$ 419	\$ 674	\$ (7,079)	\$ 176	\$ (870)	\$ 16,027	\$ 13,535

As at June 30, 2024, the Trust had tax losses of \$2,534 (June 30, 2023 – \$nil) that expire starting in 2043. Deferred income tax assets have not been recognized in respect of these losses as it is not probable that the Trust will be able to utilize all the losses against taxable profits in the future.

## 17. SEGMENTED INFORMATION

As of January 1, 2024, the Trust redefined its operating segments to better reflect how the business is managed and evaluated by the chief operating decision maker, the Trust's Portfolio Manager. The Trust removed the lending portfolio from the recurring income segment as the majority of the portfolio is expected to mature over the next two years and is considered non-core. The Trust removed the residual participating mortgage receivable which is a non-core legacy investment and its investment in the U.S. hotel from the development segment. During the three and six months ended June 30, 2024, the Trust received the remaining proceeds from a participating mortgage receivable and sold its interest in the U.S. hotel. As at June 30, 2024, all of the Trust's operations are in Canada. The Trust renamed the development and investment holdings segment to development and reclassified the comparatives to conform to the new segment presentation.

For the three and six months ended June 30, 2024 and June 30, 2023, income tax (expense) recoveries and general and administrative expenses were not allocated to the segment expenses as these costs are not specifically managed on a segmented basis.

## SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2024

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 16	\$ 16
Income properties revenue	—	6,045	—	6,045
Share of losses from equity accounted investments	(2,034)	(6,507)	—	(8,541)
<b>TOTAL INCOME (LOSS)</b>	<b>(2,034)</b>	<b>(462)</b>	<b>16</b>	<b>(2,480)</b>
<b>EXPENSES</b>				
Income properties, operating	—	(2,459)	—	(2,459)
Interest expense	(494)	(2,363)	(1,280)	(4,137)
General and administrative	—	—	(1,333)	(1,333)
<b>TOTAL EXPENSES</b>	<b>(494)</b>	<b>(4,822)</b>	<b>(2,613)</b>	<b>(7,929)</b>
Fair value adjustments to income properties	—	63	—	63
<b>OPERATING LOSS</b>	<b>(2,528)</b>	<b>(5,221)</b>	<b>(2,597)</b>	<b>(10,346)</b>
Interest and other income	—	38	3,130	3,168
<b>EARNINGS (LOSS) BEFORE INCOME TAX RECOVERY</b>	<b>(2,528)</b>	<b>(5,183)</b>	<b>533</b>	<b>(7,178)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	2,422	2,422
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>2,422</b>	<b>2,422</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (2,528)</b>	<b>\$ (5,183)</b>	<b>\$ 2,955</b>	<b>\$ (4,756)</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
Share of other comprehensive loss from equity accounted investments, net of tax	(566)	(161)	—	(727)
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	(461)	—	(461)
<b>TOTAL OTHER COMPREHENSIVE LOSS</b>	<b>(566)</b>	<b>(622)</b>	<b>—</b>	<b>(1,188)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (3,094)</b>	<b>\$ (5,805)</b>	<b>\$ 2,955</b>	<b>\$ (5,944)</b>

## SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2023

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 400	\$ 400
Income properties revenue	—	4,318	—	4,318
Share of income (loss) from equity accounted investments	(413)	805	—	392
<b>TOTAL INCOME (LOSS)</b>	<b>(413)</b>	<b>5,123</b>	<b>400</b>	<b>5,110</b>
<b>EXPENSES</b>				
Income properties, operating	—	(2,296)	—	(2,296)
Interest expense	(426)	(2,470)	(1,278)	(4,174)
General and administrative	—	—	(1,674)	(1,674)
<b>TOTAL EXPENSES</b>	<b>(426)</b>	<b>(4,766)</b>	<b>(2,952)</b>	<b>(8,144)</b>
Fair value adjustments to income properties	—	(9,843)	—	(9,843)
<b>OPERATING LOSS</b>	<b>(839)</b>	<b>(9,486)</b>	<b>(2,552)</b>	<b>(12,877)</b>
Interest and other income	—	24	251	275
Fair value adjustments to financial instruments	—	—	308	308
<b>LOSS BEFORE INCOME TAX RECOVERY</b>	<b>(839)</b>	<b>(9,462)</b>	<b>(1,993)</b>	<b>(12,294)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	3,631	3,631
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>3,631</b>	<b>3,631</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (839)</b>	<b>\$ (9,462)</b>	<b>\$ 1,638</b>	<b>\$ (8,663)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	1,496	921	—	2,417
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	2,521	—	2,521
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,496</b>	<b>3,442</b>	<b>—</b>	<b>4,938</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ 657</b>	<b>\$ (6,020)</b>	<b>\$ 1,638</b>	<b>\$ (3,725)</b>

<sup>1)</sup> Includes other Trust amounts not specifically related to the segments.

## SEGMENTED RESULTS OF OPERATIONS – SIX MONTHS ENDED JUNE 30, 2024

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 180	\$ 180
Income properties revenue	—	10,546	—	10,546
Share of losses from equity accounted investments	(3,978)	(8,288)	—	(12,266)
<b>TOTAL INCOME (LOSS)</b>	<b>(3,978)</b>	<b>2,258</b>	<b>180</b>	<b>(1,540)</b>
<b>EXPENSES</b>				
Income properties, operating	—	(4,941)	—	(4,941)
Interest expense	(976)	(4,751)	(2,610)	(8,337)
General and administrative	—	—	(2,916)	(2,916)
<b>TOTAL EXPENSES</b>	<b>(976)</b>	<b>(9,692)</b>	<b>(5,526)</b>	<b>(16,194)</b>
Fair value adjustments to income properties	—	(2,790)	—	(2,790)
<b>OPERATING LOSS</b>	<b>(4,954)</b>	<b>(10,224)</b>	<b>(5,346)</b>	<b>(20,524)</b>
Interest and other income	2,747	105	2,875	5,727
Fair value adjustments to financial instruments	—	—	7	7
<b>LOSS BEFORE INCOME TAX RECOVERY</b>	<b>(2,207)</b>	<b>(10,119)</b>	<b>(2,464)</b>	<b>(14,790)</b>
<b>INCOME TAX RECOVERY</b>				
Deferred income tax recovery	—	—	4,612	4,612
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>4,612</b>	<b>4,612</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (2,207)</b>	<b>\$ (10,119)</b>	<b>\$ 2,148</b>	<b>\$ (10,178)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	495	345	—	840
Fair value adjustments to derivative financial liabilities hedge, net of tax	—	1,106	—	1,106
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>495</b>	<b>1,451</b>	<b>—</b>	<b>1,946</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (1,712)</b>	<b>\$ (8,668)</b>	<b>\$ 2,148</b>	<b>\$ (8,232)</b>

## SEGMENTED RESULTS OF OPERATIONS – SIX MONTHS ENDED JUNE 30, 2023

	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>INCOME</b>				
Lending portfolio interest income and lender fees	\$ —	\$ —	\$ 795	\$ 795
Income properties revenue	—	8,729	—	8,729
Share of loss from equity accounted investments	(969)	479	—	(490)
<b>TOTAL INCOME (LOSS)</b>	<b>(969)</b>	<b>9,208</b>	<b>795</b>	<b>9,034</b>
<b>EXPENSES</b>				
Income properties, operating	—	(4,709)	—	(4,709)
Interest expense	(602)	(4,599)	(2,771)	(7,972)
General and administrative	—	—	(3,862)	(3,862)
<b>TOTAL EXPENSES</b>	<b>(602)</b>	<b>(9,308)</b>	<b>(6,633)</b>	<b>(16,543)</b>
Fair value adjustments to income properties	—	(10,300)	—	(10,300)
<b>OPERATING LOSS</b>	<b>(1,571)</b>	<b>(10,400)</b>	<b>(5,838)</b>	<b>(17,809)</b>
Interest and other income	—	39	365	404
Fair value adjustments to financial instruments	—	—	401	401
<b>LOSS BEFORE INCOME TAX RECOVERY (EXPENSE)</b>	<b>(1,571)</b>	<b>(10,361)</b>	<b>(5,072)</b>	<b>(17,004)</b>
<b>INCOME TAX RECOVERY (EXPENSE)</b>				
Current income tax expense	—	—	(1)	(1)
Deferred income tax recovery	—	—	4,985	4,985
<b>TOTAL INCOME TAX RECOVERY</b>	<b>—</b>	<b>—</b>	<b>4,984</b>	<b>4,984</b>
<b>NET LOSS</b>	<b>\$ (1,571)</b>	<b>\$ (10,361)</b>	<b>\$ (88)</b>	<b>\$ (12,020)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Share of other comprehensive income from equity accounted investments, net of tax	1,496	253	—	1,749
Fair value adjustment to derivative financial liabilities hedges, net of tax	—	1,922	—	1,922
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,496</b>	<b>2,175</b>	<b>—</b>	<b>3,671</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (75)</b>	<b>\$ (8,186)</b>	<b>\$ (88)</b>	<b>\$ (8,349)</b>

<sup>(1)</sup> Includes other Trust amounts not specifically related to the segments.

## SEGMENTED ASSETS AND LIABILITIES – AS AT JUNE 30, 2024

As at June 30, 2024	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>ASSETS</b>				
Total non-current assets	\$ 241,370	\$ 423,540	\$ 25,135	\$ 690,045
Total current assets	—	4,194	12,556	16,750
<b>TOTAL ASSETS</b>	<b>\$ 241,370</b>	<b>\$ 427,734</b>	<b>\$ 37,691</b>	<b>\$ 706,795</b>
<b>LIABILITIES</b>				
Total non-current liabilities	\$ —	\$ 92,241	\$ 252	\$ 92,493
Total current liabilities	31,694	83,993	77,130	192,817
<b>TOTAL LIABILITIES</b>	<b>\$ 31,694</b>	<b>\$ 176,234</b>	<b>\$ 77,382</b>	<b>\$ 285,310</b>

## SEGMENTED ASSETS AND LIABILITIES – AS AT DECEMBER 31, 2023

As at December 31, 2023	Development	Recurring income	Other <sup>(1)</sup>	Total
<b>ASSETS</b>				
Total non-current assets	\$ 241,922	\$ 424,214	\$ 27,757	\$ 693,893
Total current assets	—	6,092	7,441	13,533
<b>TOTAL ASSETS</b>	<b>\$ 241,922</b>	<b>\$ 430,306</b>	<b>\$ 35,198</b>	<b>\$ 707,426</b>
<b>LIABILITIES</b>				
Total non-current liabilities	\$ —	\$ 172,127	\$ 237	\$ 172,364
Total current liabilities	30,942	4,788	70,675	106,405
<b>TOTAL LIABILITIES</b>	<b>\$ 30,942</b>	<b>\$ 176,915</b>	<b>\$ 70,912</b>	<b>\$ 278,769</b>

(1) Includes other Trust amounts not specifically related to the segments.

## 18. RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, the Trust and its subsidiaries enter into transactions with related parties that are contracted under commercial terms. DAM, which is a wholly owned subsidiary of Dream Unlimited Corp. (TSX: DRM), is the Trust's Asset Manager and is a related party that provides management personnel services to the Trust under the terms of the Management Agreement, as defined below.

## DREAM ASSET MANAGEMENT

## ASSET MANAGEMENT AGREEMENT

On July 8, 2014, the Trust entered into a management agreement (as amended from time to time, the "Management Agreement") with DAM, pursuant to which DAM provides a broad range of asset management services to the Trust for a base annual management fee, acquisition/origination fee and disposition fee.

In addition, the Trust will compensate DAM for reasonable out-of-pocket costs and expenses incurred in connection with the performance of the management services described in the Management Agreement and the costs and expenses incurred in providing such other services that the Trust and DAM agree to in writing that are to be provided from time to time by DAM.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fees paid/payable by the Trust under the Management Agreement:				
Base annual management fee	\$ 301	\$ 761	\$ 780	\$ 2,074
Acquisition/origination fee and disposition fees	1	1	12	67
Expense recoveries relating to financing arrangements and other	525	583	999	972
Total fees under Management Agreement	\$ 827	\$ 1,345	\$ 1,791	\$ 3,113

	June 30, 2024	December 31, 2023
Total payable to DAM	\$ 1,415	\$ 1,586



During the three and six months ended June 30, 2024, the Trust issued 188,383 and 261,383 units, respectively, in satisfaction of the management fees payable to DAM under the Management Agreement (three and six months ended June 30, 2023 — 112,829 and 210,657, respectively). Included in the units delivered during the three and six months ended June 30, 2024, were units issued in satisfaction of management fees payable for the year ended December 31, 2023 and for the three months ended March 31, 2024. Subsequent to June 30, 2024, the Trust settled a further 137,500 units in satisfaction of the management fees payable related to the three months ended June 30, 2024. The asset management fee payable was determined based on the number of units settled valued at the period-end unit price.

On June 12, 2024, unitholders authorized an amendment to the Management Agreement to deliver up to 1,800,000 units of the Trust to DAM, in satisfaction of the base management fees and acquisition fees payable under the Management Agreement of the Trust for the period from January 1, 2024 to December 31, 2026, assuming the valid exercise of all exercise options. The amendment stipulates that 550,000 units be issued to DAM (137,500 units per quarter) during the 2024 calendar year.

## DEVELOPMENT FEES

The Trust has entered into various project-level development management agreements with DAM, and its third-party co-developers where applicable, in which the Trust has equity ownership interests. Pursuant to these agreements, DAM may provide development management services to the project alongside partners. The corresponding development management fees are shared among the partners within each development project.

Under these agreements, during the three and six months ended June 30, 2024, fees of \$519 and \$949 were incurred by the projects, at the Trust's share (three and six months ended June 30, 2023 – \$949 and \$1,702) of which \$1,016 was owed to DAM as of June 30, 2024 (December 31, 2023 – \$1,644).

Additionally, effective January 1, 2018, the Trust entered into a framework agreement (the "Framework Agreement") with DAM with respect to their management of development investments. During the three and six months ended June 30, 2024, \$202 and \$393 in development fees were paid or incurred in accordance with the Framework Agreement (three and six months ended June 30, 2023 – \$238 and \$329).

## OTHER TRANSACTIONS

During the six months ended June 30, 2024, the Trust sold its 9% interest in the Queen and Mutual Street development to DAM for cash proceeds of \$3,700. The Trust recognized a gain on the sale of \$2,755, excluding transaction costs, included in interest and other income.

## DREAM OFFICE REIT

### PROPERTY MANAGEMENT AGREEMENTS

The Trust's wholly owned and co-owned office properties are managed by Dream Office Management Corporation ("DOMC"). DOMC is owned by Dream Office REIT.

### SERVICES AGREEMENT

The Trust entered into a services agreement ("Service Agreement") with DOMC on July 8, 2014. Pursuant to the Service Agreement, DOMC provides administrative and support services including the use of office space, office equipment, communication services and computer systems, and the provision of personnel in connection with accounts payable, human resources, taxation, and other services. DOMC receives a monthly fee sufficient to reimburse it for the expenses incurred in providing these services.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fees incurred pursuant to the property management agreements	\$ 677	\$ 663	\$ 1,278	\$ 1,286
Fees incurred pursuant to the Service Agreement	289	263	530	475
Total fees incurred to DOMC	\$ 966	\$ 926	\$ 1,808	\$ 1,761

	June 30, 2024	December 31, 2023
Total (receivable) payable to DOMC for property management agreements	\$ 92	\$ (56)
Total payable to DOMC for Service Agreement	\$ 81	\$ 62

## 19. SUPPLEMENTARY CASH FLOW INFORMATION

Amortization and depreciation includes:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Lease incentives	\$ 422	\$ 244	\$ 610	\$ 461
Premium on lending portfolio	—	(132)	—	(262)
Deferred financing costs	190	255	379	595
Accretion on convertible debentures	66	66	133	132
<b>Total</b>	<b>\$ 678</b>	<b>\$ 433</b>	<b>\$ 1,122</b>	<b>\$ 926</b>

Other adjustments include:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Other non-current assets	\$ 210	\$ 145	\$ 763	\$ (22)
Gain from sale of interest in investment holdings <sup>(1)</sup>	(2,802)	—	(2,802)	—
Return on investment from participating mortgage receivable <sup>(1)</sup>	(340)	—	(340)	—
Gain on disposition of equity accounted investment <sup>(1)</sup>	—	—	(2,755)	—
Transfer to lending portfolio from equity accounted investments	(592)	—	(592)	—
Fair value adjustments to financial instruments	—	(308)	(7)	(401)
Interest capitalized to lending portfolio balance	(16)	(153)	(136)	(306)
Deferred unit compensation recovery	(111)	(363)	(187)	(688)
Deferred income tax recovery	(2,422)	(3,631)	(4,612)	(4,985)
<b>Total</b>	<b>\$ (6,073)</b>	<b>\$ (4,310)</b>	<b>\$ (10,668)</b>	<b>\$ (6,402)</b>

<sup>(1)</sup> Included in 'Interest and other income' within the condensed consolidated statements of comprehensive income (loss).

Non-cash working capital includes cash generated from:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Lending portfolio interest income accrual	\$ 15	\$ (15)	\$ 82	\$ (37)
Amounts receivable	(145)	(556)	646	(233)
Prepaid expenses and other current assets	(49)	(81)	(174)	(220)
Amounts payable and other liabilities	294	(6,676)	(260)	(7,030)
<b>Total</b>	<b>\$ 115</b>	<b>\$ (7,328)</b>	<b>\$ 294</b>	<b>\$ (7,520)</b>

During the three and six months ended June 30, 2024, cash interest paid was \$4,015 and \$7,805 (three and six months ended June 30, 2023 – \$3,654 and \$6,907) and cash taxes paid was \$nil (three and six months ended June 30, 2023 – \$nil).

During the three and six months ended June 30, 2024, investments in building improvements included net settlements of \$3 and \$21 (three and six months ended June 30, 2023 – net settlement of payables of \$29 and \$72), investments in lease incentives and initial direct leasing costs included settlement of payables of \$26 and \$118 (three and six months ended June 30, 2023 – net settlement of payables of \$103 and \$375), investments in equity accounted investments included non-cash transactions of \$nil (three and six months ended June 30, 2023 – \$21 and \$53). During the three and six months ended June 30, 2024, changes in working capital related to other non-current assets included the fair value losses to derivative financial liabilities of \$627 and fair value gains of \$1,504, respectively (three and six months ended June 30, 2023 – \$3,428 and \$2,615) and changes in working capital related to amounts payable and other liabilities included non-cash transactions of \$51 and \$nil (three and six months ended June 30, 2023 – \$252 and \$nil).

## 20. COMMITMENTS AND CONTINGENCIES

Dream Impact and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of the Asset Manager, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of Dream Impact.

## OTHER COMMITMENTS

As at June 30, 2024, guarantees on underlying loan amounts of third parties and certain development arrangements were \$384,574 (December 31, 2023 – \$366,529). These guarantees include contingent liabilities for certain obligations of our joint venture partners, which are exclusive of our share of those guarantees that are included in equity accounted investments on our condensed consolidated statements of financial position. However, the Trust would have available to it the other joint venture partners' share of assets to satisfy any obligations that may arise. In the opinion of the asset manager, obligations underlying such guarantees are expected to be fulfilled in the normal course of business and no material obligations are expected to arise from these contingencies as at period-end. From time to time, the Trust may be required to fund capital contributions to its various investments.

## 21. FAIR VALUE MEASUREMENTS

Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Trust maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. The Trust's policy is to recognize transfers between fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the six months ended June 30, 2024, no transfers were made between Levels 1, 2 and 3. The following tables summarize fair value measurements recognized or disclosed in the condensed consolidated financial statements by class of asset or liability and categorized by level according to the significance of the inputs used in making the fair value measurements.

June 30, 2024	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Recurring measurements				
Income properties	\$ 276,547	\$ —	\$ —	\$ 276,547
Interest rate swaps	1,111	—	1,111	—

December 31, 2023	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Recurring measurements				
Development and investment holdings	\$ 4,060	\$ —	\$ —	\$ 4,060
Income properties	278,017	—	—	278,017
Lending portfolio – FVTPL	2,536	—	—	2,536
Conversion feature of convertible debentures	7	—	—	7
Interest rate swaps	190	—	190	—

Financial instruments carried at amortized cost are noted below:

June 30, 2024	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Fair values disclosed				
Lending portfolio – amortized cost	\$ 12,126	\$ —	\$ —	\$ 10,428
Credit facility	6,961	—	—	7,000
Convertible debentures – host instrument	67,882	—	—	65,046
Promissory note	31,200	—	—	31,200
Mortgages payable	172,133	—	—	171,032

December 31, 2023	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Lending portfolio – amortized cost	\$ 11,464	\$ —	\$ —	\$ 9,103
Convertible debentures – host instrument	67,530	—	—	65,675
Promissory note	30,450	—	—	30,450
Mortgages payable	172,127	—	—	170,911
Interest rate swaps	584	—	584	—

At June 30, 2024, amounts receivable, cash, the current portion of amounts payable and other liabilities, and distributions payable approximate fair value due to their short-term nature. The significant unobservable inputs used in the fair value measurement of the conversion feature on the convertible debentures are as follows:

- Volatility – the Trust calculated the expected volatility of the conversion features using historical pricing of the Trust and other similar companies in the industry. The volatility used as at June 30, 2024 was 29.4%.

If the volatility used in the fair value calculation were to increase or decrease by 5%, the value of the conversion feature would have a nominal impact.

## Corporate Information

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### TRANSFER AGENT

(for change of address, registration  
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### STOCK EXCHANGE LISTING

#### **The Toronto Stock Exchange**

**Listing Symbol:** MPCT.UN

For more information, please visit  
[dreamimpacttrust.ca](http://dreamimpacttrust.ca)

## Corporate Office

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